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ENERAL

irops ustice ninister

outh African Premier Pieter tha dropped controversial minister James Kruger a Cabinet reshuffle.

Newcomers to the Cabinet scluded Andries Treurnicht, ad of the ruling National uty in Transvaal Province 10 is acknowledged as leader the party's right wing. Back

Mr. Botha agreed to abandon s attempt to curb newspaper porting of corruption in vernment. Page 4

aution over ummit talks

resident Carter and President rezhnev meet for the first ne this evening in Vienna at e start of a weekend of U.S.-wiet talks leading to the gning of SALT-II.

The talks, which both sides em to be approaching intiously, are expected to lay e groundwork for SALT-III. 'ary Soviet approach. Page 2; inter's precurious path, Page

wo more post ombs found

vo more letter bombs were und at Birmingham's main stal sorting depot, bringing e number of explosive devices own to have been posted in

e city to 11.
Estra police and army perinel have-been drafted in to in the examination of 2.5m ners and 150,000 parcels at the energy, ministers at the 24col. Disruption to postal nation OECD meeting in Paris backs in the region is have agreed. Back Page peeted to last until next week.

ube strike talks

udon Transport and union cials were meeting late last tht at the Advisory. Concilian and Arbitration Service in attempt to avert Monday's Under- Page 2 und strike. Page 14

rice of peace

cost £2.5m to keep the peace the 18 big demonstrations in ndon last year according tosangual report of Sir David Nee, Commissioner of the tropolitan Police. Serious me in Lendon dropned remails for the first time in tht years. Page 12

ost disruption

e Post Office said that the per of the disruptive one-day ike by members of its ingement Staffs' Asyociation I been parely but the union d that 92 per cent of its 700 members had joined the ion. Page 14

alvage bid halts

id weather balted Royal Navy empt; to salvage the wrecke of the Tornado combat airaft which crashed 44 miles off neknoni on Tuesday. The menunter Nucton guarded the

120,000 atlas

inuscript maritime atlas ched figures as Christie's atmiced its sales of the grature collection of America cuthusast Arthur A. orchion. Two days of sales is week totalled \$1,555,315ly above forceast.

riefly . . . louds in western Jamaica after ree days of heavy rainfall we killed 32 people, with 25 hers missing.

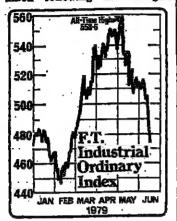
neage advertising agency is min sued for portraying Pea-its carteon character Lucy as United Features Trungit. anns Lucy's wholesome image is been ternished and seeks (0,000) compensation.

BUSINESS

Equities and Gilts fall; £ weaker

No. 27,890

● EQUITIES again fell sharply on fears of confrontation between the Government and union following the Budget.



The FT 30-share index dropped 14.7 to 474.2.

the Ministerial warning of 17 per cent inflation by autumn. Falis ranged to 14.

• STERLING fell 82 points in very quiet trading to close at \$2,0958 and its trade-weighted index fell to 68.2 (68.6). The dollar's index was unchanged

• GOLD rose \$2 to \$278; in London.

O WALL STREET was 3.21 lower at 838.96 just before the

Andreotti yesterday called for reform of the EEC's Common Agricultural Policy and a boost in payments by other EEC funds to aid Britain and Italy. He arrives in London today for talks with Mrs. Thatcher.

o A TOP-LEVEL British trade mission is to visit Cuba. Page 8

. FRUIT AND VEGETABLE p, ers manped (5 per cent in the three months to Mer this car, the Price Commission

O IVELIN MARSHALL plant in Chinsborough is to close with the loss of 763 Johs. Page 10

o scorrish minuse bare voted for a new terte chara of 210 to a nech for three workers to he hacked by sudnerful acron if more surply Present

• THE NATIONAL and Local Government Officers' Association his decided to make official any local strikes called by its members against job case due to reduced public spending.

COMPANIES

 DAVY INTERNATIONAL and Seltrust Engineering have seined with Finland's Outcome. compa to win a turnkey contract for a \$250m copper smeller in the Philippines. Page &

 SONY CORPORATION net profits in the six months to April 30 fell by 35.6 per cent to Y7.88bn (about £17.9m) from V12.22bn in the same period a year earlier. But the setback was blamed by Sony on adoption of U.S. accounting rules. Page 36

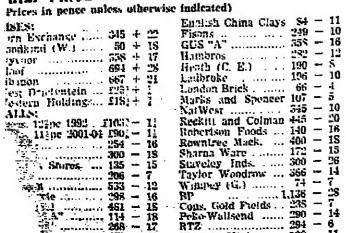
CHLORIDE GROUP pre-tax profits rose to £29m (£25.1m) in the year to March 31, and the company expects further growth. Page 30 and Lex

• ENGLISH CHINA CLAYS first-half pre-tax profits rose to f10.43m (£8.53m previously) despite being hit by the transpart strike and the severe

winter. Page 32 and Lex

Western Mining ... 128 - 11

HIEF PRICE CHANGES YESTERDAY



Banks put up base lending rate in line with MILR

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The cost of a bank overdraft will rise sharply following yesterday's decision by all the clearing banks to increase their base lending rates by two points to 14 per cent.

This means thta a top-quality industrial customer will pay 15 per cent, while the cost of overdrafts for other borrowers will be between 17 and 19 per cent. The rise in base rates is exactly in line with the increase in Minimum Lending Rate announced on Tuesday. This unexpected tightening of the credit squeeze was fully explained yesterday by new official figures showing that bank lending has remained very buoyant.
Bank lending in sterling to

the UK private sector rose by \$869m in the month to mid-May, while the underlying rate of expansion of sterling M3, the broadly-defined money supply, has been above the upper end of the official target range. City doubts about the Budget

and about the inflation pros-pects were reflected yesterday in a further fall in stock market prices. The FT 30-share index dropped by 14.7 to 474.2 following a 12.5 fall on Wednesday: the index has now declined by 5 per cent since the election. There were especially sharp falls in the share prices of big exporting companies which much the hard hit by the com-

BANK OF ENGLAND

M.L.R. Base Rete

edged stocks dropped by 12 points, with falls of a point at the short-end. The market has been expecting the announcement this afternoon of one or more new gilt-edged tap stocks, but the fall in prices raises questions about whether this will now go ahead.

There is still uncertainty about the level of short- and long-term interest rates, and conditions remained unsettled in the money markets yester-

Even figuent three-month biration of large pay rises and rates have not yet risen to a bum exchange rate. match the rise in MLR, the Prices of long-dated gilt- clearers decided to commit

themselves to a full two-point

banks, announced varying rises in the interest rates paid on seven-day notice deposit accounts.

National Westminster and Midland increased their rates by two points to 111 per cent. while Lloyds raised its deposit rates from a lower previous level by 2½ points to 11½ per cent. Barriays was out of line with a 2½ point rise in its deposit rate to 12 per cent. An increase in the monthly charge on Barclaycard from 12 per cent (23.1 per cent a year)

was also announced yesterday with effect from July 20. This is the first rise in its interest rates since last July, in spite of the rise in the cost of

money in the interim. Charges on Trustcard, offered by the Trustee Savings Banks, are to rise to a similar rate on the same date.
The authorities seem deter-

mined to maintain MLR at 14 per cent for as long as is necessary to curb bank lending and in maintain an impression of monetar control. This may Continued on Back Page

Clearing Banks Table Page 10 Lex Back Page Home loans warning

International economic plan urged by Richardson

BÝ, DAVID FREUÐ

a firm exchange rate.

WIDESPREAD co-ordination of suggested that attempts to computibility of individual ecoconomic and financial targets by the major powers was the best hope for the international economy, Mr. Gordon Richardon. Governor of the Bank of England, said yesterday.

In the Henry Thornton ecture at the City University, London, he said such coordination "may comprise the most realistic framework in the international economy and policy of the late twentieth century can survive, and perhaps ultimately again thrive.

The address was called "The Prospects for an International Monetary System." It represents a major statement of the Bank's views on international economic i derelonments.

The Governor went considerably further in attacking the present system of floating, or semi-finating, exchange rates than he has in the past. He said recent experience

through flexible exchange rates had severe limitations.

The key reasons for this were that the exchanges fluctuated on for shorter time scale than that required to make fundamental adjustments, the statisties were not reliable enough to ensure that the correct action was taken and efficient induswere hit as much as inefficient ones. The Governor went on to

point out that central bankers could only obtain more stability on the exchange markets if there were co-ordinated intervention policies and a broadly consistent set of domestic poli-

This was the pattern that had begun to develop. "The increasing resort to summitdiplomacy, and the collaborative measures of November 1. 1978, may be seen as steps towards greater co-ordination and

adjust to countries' differences nomic management and ex-in economic performance change rate policies between regions or major powers.

Within this context the Govwelcome for the objectives of the European Monetary System. He described the emergence of the system as "an attempt both to achieve greater regional. euchange rate stability and ultimatrly, it may prove, to make regional contribution to the cld's reserve asset problem." The Governor also suggested

that contrary to recent experi-! a lot in common." enter in some countries, enthance rate and domestic mandary policies could be used in a complementary rather than competitive manner.

"In attempting to reduce in fationary expectations and infationary wage settlements the declared constraints of an evelunge rate and a monetary " redit target can often use-fully reinforce each other," he

miners' leader By Christian Tyler and Ray Perman MR. JOE GORMLEY, president of the National Union of Mineworkers, publicly confirmed yesterday that he had decided

Gormley

stays as

to stay on in the job in order, he said, to ensure that the Government maintained the huge public investment in the coal industry.

He has changed his mind about retiring before the end of the year, after castigating the latest militant remarks of Mr. Mick McGahey, NUM vice-president and strongest contender for the succession. He said he could see no pos-

sibility of his going before the union's annual conference in July next year. If he sticks to that date, it will rule out Mr. McGahey, who is 55 next May,

on grounds of age.

Mr. Gormley's pronouncement, and his determination to 2 per cent (26.8 per cent). not to see the union and the Government at each other's throats, will come as a relief to Ministers. They cannot have viewed wth equanimity the possibility of Mr. McGahey, who is chairman of the Communist Party, taking the reins.

Without naming Mr. McGahey. the NUM president interpreted the remarks Mr. McGabey made at the Scottish area NUM con-ference on Wednesday to mean that the union should "use its industrial strength to change the political complexion of the government."

That was not the role of a trade union, and was tantamount to saying: "We don't believe in

Mr. McGahey said yesterday that he had never called for the NUM to bring the Government down, but only that the Labour movement should help to create a situation in which an early General Election would be brought about through the democratic process. "As far as Mr. Gormley's

early retirement is concerned. that is a matter for him, and be doesn't appear to be very deci-

"I would be honoured to serve as national president, but if I cannot do so I shall continue to serve in the post of Scottish ernor relterated his cautious president and. I hope with the confidence of the national union, as vice-president.

> "I am confident that if I am unable to stand, the Scottish miners will support and fight for the most progressive candidate in the field - and Arthur Scargill [Yorkshire area president] I look upon as a most progressive man with whom I have

Healey tops 'shadow' list in close vote

BY RICHARD EVANS, LOBBY EDITOR

MR. DENIS HEALEY topped the elections to the shadow Cabinet last night, but he was closely pursued by Mr. John Silkin and Mr. Peter Shore, who are rapidly emerging as leading contenders for the Labour Party leadership when Mr. Callaghan retires.

The contest, a crucial indicator of support among Labour MPs who form the electoral college for the party leadership, produced a remarkably even ballot between left and right. and showed how open the fight for the leadership has become. All the top three have been given key roles in Opposition

by Mr. Callaghan, with Mr. Healey remaining surprisingly, after so many arduous years, as economic affairs spokesman; Mr. John Silkin shadowing in-dustry: and Mr. Shore as foreign affairs spokesman.

The next two names in the list, Mr. Ray Hattersley and Mr. Eric Varley, are also likely leadership candidates. But Mr. Varley, who becomes employ-ment spokesman, has probably hetter chance to shine in Opposition than the ambitious Mr. Hattersley, who shadows environment and housing.

Mr. Healey, who gained 153 Mr. Healey, who gained 15% votes, must remain favourite for the succession, but at 61 he must hope that Mr. Callaghan will retire early in the present Parliament. There is also a question mark over the former Chancellor's close identification with the policies of the last government, which were rejected so substantially at the general election. general election.

Perhaps the most impressive showing was that of Mr. Sillin. He gained 149 votes and has come up for in party standing hecause of his flater anti-Market attitudes and his touch negotiating to the of Brussala as Agriculture Plinister.

Mr. Silkin, who had the supclearly also gained the backing of many anti-Morket but not necessarily Left-wing members of the Porlingentary Lebon Party. He is the sun of a former Cabinet Minister and is a former party Chief Whip.

The performance of Mr. Shora was also impressive, as he was circled neither on the Tribunc group slate nor that of the Manifesto group of moderates. He is also an anti-Marketeer and has the advantage of bring regarded as a Left-winger, although he has moderated many of his views in recent years and has gained the respect of a wide range of party opinion for his shillities. He is Scots miners want 60% Page 14, well placed as a leadership con-

Caring for your family means more than keeping their pictures in your wallet.

Further down the pecking order are Mr. Stan Orme, who returns to health and social services in Opposition; Mr. Albert Booth, who shadows transport; and Mr. William Rodgers, one of the most articulate right-wingers, who

takes on defence.

Near the bottom of the successful candidates were Mr. Merlyn Rees, who stays as home affairs spokesman, as well as covering Commons procedure; Dr. David Owen, who is made energy spikesman; Mr. Roy Mason, who takes on the sensi-tive Common Market subject of agriculture; and Mr. John Smith, former Trade Secretary, who will speak on trade and

prices.
The remaining members of the shadow Cabinet and their portfolios will be chosen and announced by Mr. Callaghan nent week.
There was an immediate move

at last night's meeting of the PLP by Mr. Anthony Wedgwood-Benn, who did not stand for the shadow Cabinet, to ensure that in future all the membership is elected by MPs instead of just the top 12 as at present. The proposal is to he considered by the party's

liated committee, but is unlikely to no accepted.

Mr. Michael Foot, who did not stand for the shadow cabinet because of his role as Deputy Leader, is to be shadow Leader of the House, as well as retain-ing responsibility for devolution. Leading contenders who did not make the top 12 were two Lestering member; of Labour's

National Executive Committee, Dir. Eric Maffer and Str. Nell Figures, They were followed by right-vincer Dr. Dickson Mabon and the Left-wing Mr. Norman The two members of the outgoing Cabinet who did not succeed in the elections were tish Secretary, and Hr. Fred Mulley former Defence Secretary, who came well down the

honours, also failed to be Details, Page 14

Gereid Kaufman and Mrs.

Judich Hart, made a Dame in Mr. Calleghan's dissolution

Former Ministers Mr.

Elin Law York June 13 \$2,1050,1070,52,1000,1010 0,78-0,70 dis ,0,63-0,55 dis 1,20-1,70 dis 1,55-1,45 dis 4,70-4,40 dis 5,05-4,85 dis Spot 1 month 5 months

RTZ to rescue Wheal Jane

BY PAUL CHEESEWRIGHT AND JOHN ELLIOTT

THE FIRST major investment. The rescue could cost up to said it was "delighted to see this decision directly attributed by £6m a company to the new economic Rio Tinto Zine which is to go ahead with its rescue for the Cornish Wheal Jane tin mine. Last week an application by RTZ to the Industry Depart-ment for state aid of up to £2.5m or £3m to help save the failed mine, received a rough ride from Cabinet Ministers. But yesterday the company

that subject to technical

commercial studies, it

would go shead with its rescue

plan, whether it receives

RTZ issued a statement which climate created by the Budget said its decision to undertake a was announced yesterday by more detailed examination of the mine was a response to the "new thinking outlined by the Chancellor of the Exchequer in his Budget speech, which requires a positive response from industry.

This message was sent to the Government and was regarded by Ministers as support for their view that taxation incentives. rather than state aid, are the best way to encourage companies to invest. A spokesman for the Con-

early evidence of a new spirit related so directly to the Bud

Opponents of industrial aid schemes fostered by the last Government will point to the decision as evidence that public money could be saved if the schemes were cut back and if those which remain were subjected to tougher criteria. Sir Keith Joseph. Industry Secretary, whose Minister of

Sinte. Lord Trenchard, has been handling the Wheal Jane case is now conducting a detailed remain of the aid schemes. The chance of Wheal Jane's

Government assistance or not. federation of Br	itish Industry Continued on Back Page
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Wail Street

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Hopes of major Norwegian oil discovery

BY KEVIN DONE, ENERGY CORRESPONDENT

ploration well on the so-called Hydro and Saga Petroleum—is "golden block" in the Nor-planning to drill two more wells wegian sector of the North Sea on this structure before the end have strengthened hopes of a of the year, major new oil discovery.

oil company, which is the approved a proposal from the operator for the block, said Phillips group for a pilot project vesterday that it was "very to test an enhanced recovery optimistic" about the discovery. scheme for the Ekofisk Field,
It has refused to speculate on the main field already in produc-It has refused to speculate on the field's potential reserves, but it is understood that the discovery could eventually come close to rivalling the large

Statfjord Field, the biggest oil field yet discovered in the North Sea.

The latest well was the third to be drilled on the block. Two separate structures have been identified on block 34/10, but

the main attention is being con-centrated on the earliest find. The latest well was drilled to appraise the wildcat discovery well drilled last year, which produced flows of crude oil of up to 6.600 barrels a day in several

Results of this second well on the structure were released this week and show that three tests or gas into an oil reservoir is a

THE RESULTS of the latest ex-remainder is held by Norsk

tion in the Norwegian sector

If successful, the plan to begin water injection could signifi-cantly add to the recoverable oil reserves in the seven-field

Phillips Petroleum, the opera-tor for the Ekofisk area, said yesterday it would be investing \$14.5m in the pilot project. It is currently able to recover only between 15 and 20 per cent of the oil in place, but water injection could boost recovery to 25-

First water injection is likely to begin in 1981. If the method is successful it will be applied to all the fields in the area.

The injection of either water oduced flows of crude of up to standard way of improving the level of recovery and is already 2,800 barrels a day.

Statoil, which has an 85 per being used on several fields in cent interest in the block—the the UK sector of the North Sea.

French curb immigrants

FURTHER CONTROLS on im- mean a larger measure of migrant workers in France are security for many foreign workthe Cabinet this week.

The Government plans to renewed. The rules make this tighten up on renewal of the much less automatic than bework and residence permits held by the country's 4.1m

Under the new rules the ordinary work and residence ermit will last for three years. Initial plans for one-year papers met fierce protest from the mental quots corresponding to left-wing unions. This will job possibilities."

najor new oil discovery. Meanwhile, the Norwegian Statoil, the Norwegian state Petroleum Directorate has

Ekofisk complex.

30 per cent.

ers currently on one-year papers—that is if their papers are

Unlike "privileged residents" whose ten-year permits will be renewed automatically most will be at the discretion of the prefect of each department, " in the framework of a depart-

Restrictions on driving urged in Holland

By Charles Batchelor in

THE NETHERLANDS should ban driving on certain days and levy higher taxes on cars with heavy petrol consumption if the Government's appeal for volun-tary savings fails. These recommendations are contained in a report drawn up by the General Energy Council, a government advisory body on energy problems.

The council singled out motor fuel as requiring special attention since the demand for this and other distillates such as jet kerosene and gas oil could lead to sharp price rises on the Rotterdam oil spot market.
Only a few months remain to build up the Netherlands' depleted oil supplies if the appeal for voluntary cuts fails, it said.

Mr. Dries van Agt, the Prime Minister, has already indicated he is gloomy about the prospect of achieving the savings by voluntary means. The Govern-ment has said however that it would wait until mid-summer

before taking further measures. Immediate action which could be taken to cut the use of fuel by car drivers includes firmer controls on speed limits, restrictions on the opening hours of petrol stations, and a ban on car driving on certain days. It also suggested encouraging car-pooling by allowing cars with three or more occupants to use bus and taxi lanes.

Longer term measures include putting sharply progressive rates of tax on new cars which con-sume a lot of petrol. Tax measures could also be used to stimulate the use of dieselengined cars.

A majority of MPs in Parliament appeared in favour of enforcing savings during a debate on the Government's voluntary measures, which were first announced in April

With the exception of the Liberals, the junior partner in the two party ruling coalition. all parties were in favour of imposing restrictions.

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CARTER AND BREZHNEV SET TO SIGN ARMS TREATY ON MONDAY

Wary Soviet approach to summit

summit meeting in Vienna, the the recent past, first in more than five years, a

mood of resignation and wari- Mr. Andrei Gromyo, the Foreign The Communist Party newspaper Pravda, in its definitive review of the Soviet position before the meeting, has called for new moves toward disarmament but says that because of

the activities of those opposed to detente, the development of Soviet-U.S. relations has become "noticeably more complicated in recent years." The tone appeared to reflect sadness rather than anger.

The drafting of the second Strategic Arms Limitation Treaty will be completed in Geneva this weekend after sixand-a-half years of negotiation and the document should be ready for signing by President Carter and Mr. Leonid Brezhnev, the Soviet President, on Monday. There will also be, during the next few days, much of the symbolism of great power equality and co-operation which

There is no reason, however, to expect major progress on any of the remaining basic issues the Middle East, Africa, dis-Soviet side will be the respect armament or human rights— with which they are treated by

is deeply important to the Soviet

ON THE EVE of the U.S.-Soviet and the U.S. have clashed in The Soviet delegation includes

ness prevails on the Soviet side. Minister, Mr. Konstantin Chernyenko, Mr. Brezhnev's top aide. Mr. Dmitri Ustinov, the Defence Minister, and Marshal Niolai Ogarkov, the Chief of Staff,

The presence of Mr. Ustinov and Mr. Ogarkov is taken as further confirmation that the Soviet Union would like to discuss a wide range of disarmament measures, including possible progress in the long dead-Jocked European troop reduction talks, agreements on conventional weapons transfers, a nuclear testing ban and the pro-scribing of killer satellites.

No substantial movement in any of these areas is expected, however, in the approximately nine hours of talks that the leaders have scheduled for Saturday, Sunday and Monday, It appears equally unlikely that President Carter will be able to persuade Moscow to moderate deep opposition to U.S. policies in the Middle East or southern Africa.

More important may be the impressions they take away with them, and a matter of considerable importance for the over which the Soviet Union President Carter and his sides.

President Leonid Brezhnev The shadow of Senate ratifica-

tions of SALT II is inescapable here both because the treaty is by far the most significant sign of progress in Soviet-U.S. relations and because Moscow has already made gestures, both in its treatment of dissidents and in foreign policy, to appease Senate opinion. It may be forced

detente for political, military, mean very soon.

economic and psychological reasons, but there is no guarantee they will pay the price for it if, in encounters with American leaders, they are not accorded the respectability which, for them, is one of the principal rewards of detente.

The Pravda editorial recalls that during the war the Soviet Union and the U.S. were allies. and relations developed on the basis of "equality and mutual confidence." This equality and co-operation is what the Soviet Union wants today but it wants it on its own terms and without regard to Soviet internal practices or foreign policy in areas not directly bearing on bilateral relations with the U.S.

Pravda says that relations are at a complicated and "contradictory" stage and it is neces-sary "to draw the proper con-clusions" from the "objective processes" before it is "too

With Mr. Brezhnev obviously in failing health and with the need for a new balance of forces in the ruling Politburo to make Soviet policy in the post-Brezhnev era, the "proper con-clusions" in Soviet eyes may be Senate opinion. It may be forced to make many more.

The Soviet leaders want and before it is "too late" may

an annual average real growth

This figure is generally con-

Andreotti, Thatcher talks today

By Rupert Comwell in Rom EUROPEAN PROBLEMS, notice ably the EEC budget and the mechanism of the common farm policy, will be at the centre of talks in London today between Mrs. Thatcher and Sig. Giulio Andreotti, the Italian Prime

The visit of the Italian leader is at the invitation of Mrs. Thatcher, who thus completes an initial series of meetings with the leaders of the other major Common Market countries, after talks with Chan-cellor Helmut Schmidt and President Giscard D'Estaing.

The primary function of the talks will be explorator, and to help prepare for the forth-coming European Council in Strasbourg and the Western industrial summit in Tokyo. Although only caretaker Prime Minister, Sig. Andreotti will be representing Italy on both

More important, however, will be whether common ground can be established between the two leaders for a co-ordinated approach on key Community issues. Both countries are resentful of being among the poorest EEC members and among the largest contributors to the budget.

Similarly, Italy shares several of Britain's grievances against the Common Agricultural Policy as it currently operates. It may find the less rancorous approach of the Conservative Government more to its taste.

Another point likely to be raised by the Italians concerns Britain's position on member-ship of the European Monetary System, once the first review of its working has been carried out in September.

Big investment rise foreseen in W. Germany

BY ROGER BOYES IN BONN

manufacturing and mining sectors to increase by a healthy 7 per cent this year, according to a survey for release today by IFO, the Munich-based economic research institute.

The report, based on an analysis of the 1979 plans of some 4.000 concerns, reflects the generally high confidence in the German investment climate despite uncertainties over the

energy outlook. IFO noted that investment in manufacturing industry rose last year to DM40.1bn (£10.2bn)

This announcement appears

WEST GERMAN industrialists which, after adjustments for facturing sector, capital goods investment growth was destined expect real investment in the price rises, also represents a 7 will attract the most invest to slow down considerably. An per cent increase.

> A total 54 per cent of the in-dustrialists questioned by IFO said that they would increase investment this year, 25 per cent said they would maintain the 1978 level while 21 per cent said they were intending to cut investment in 1979.

Capital goods investment. IFO said, was proving to be the main force behind the current economic upswing Although

will attract the most invest to slow down considerably. An ment, with an anticipated IFO report in March predicted increase of 11-12 per cent.

Basic and production goods, of only 4.1 per cent between as well as the mining industry, 1979 and 1983. will also benefit from a significant rise in investment. And after particularly low invest- sidered to be too low to reduce ment growth in 1978, the iron unemployment and steel industries are plan-ning to raise their investment

by over 20 per cent. Despite the optimistic tenor

the investment increases are has not qualified its earlier con-likely to affect every manu-clusion that medium - term

Bleak 1980s outlook for industry in Sweden

BY WILLIAM DULLFORCE IN STOCKHOLM

have to be made in the Swedish economy in the next decade, but

Economic Research Institute.

To solve economic problems

FAR-REACHING changes will sumption and an increase ingrowth will be much lower than in the 1950s and 1960s. Some faster than imports, at annual 137,000 jobs in industry are rates of 5.7 per cent against 4.3

much closer alignment had to be achieved in the aims of workers, managers and politicians, the study said. Expansion of the public sector had to be curbed: Swedes had to accept a slower improvement in in-comes and the inflation rate had to be kept low enough to give investors faith in the return on their capital.

The institute took as a reference point an annual growth rate of 2.8 per cent in weden's GNP during the first half of the 1980s. Even this moderate growth called for optimistic assumptions compared with developments in the 1960s. when GNP growth averaged 4.5

per cent a year.

The institute's model postu-lated 4 per cent GNP in OECD countries, a 5 per cent annual increase in Swedish consumer prices, curbs on domestic con-

real disposable incomes of less than 1 per cent a year.

per cent, it expected Sweden's This is the message of a 370- net foreign indebtedness to page study, released yesterday grow to about 11 per cent of by the independent Industrial GNP in the first, half of the satisfactory profitability by 1986 prices and costs would have to develop more favourably than at any time since the war. The

institute questioned whether

Sweden could run a steel industry based on iron ore and

said 38,000 of the 50,000 em-

ployed in the industry risked losing their jobs. Some 40 000 of the 55 000 jobs in the shipvards and shipping companies were threatened. The study argued that national subsidies were only giving other countries more time to catch

50,000 of the 196,000 employed by the forest industries could lose their jobs.

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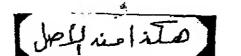
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lection setbacks likely to strengthen hard-liners

low started inside of the month. serious setback in olls, risks making forming a new even more difficult

past 24 hours, the leadership has party's first setback and already there bitter controversy firmed Sig. Enrice Berlinguer have far-reaching as secretary-general, he is now d have far-reaching he policy and leader-

uncertain situation, political parties, the long - ruling Democrats and the are anxiously awaitutcome of the Com-If-examination and the

us to quit

position chief

OSEF TAUS, leader of the

e's Party, the main

ian opposition party, has

has twice been defeated in

ral elections by Chancellor o Kreisky, said that dis-

ment over reform of the

structure was the main

r's parliamentary group.

s a year younger than Dr.

and worked as a junior

mat and secretary to a

ier Chancellor, before pro-on to the post of Minister

ly a few weeks ago, Dr.

s's colleagues publicly ged loyalty to him, saying

er against the Socialists who

ited from the great per-il prestige of Dr. Kreisky.

te People's Party is a ition of three lobbies repre-

ing the interests of farmers,

kers. This structure, coupled

the power of the provincial ernors, is seen by Dr. Taus

major barrier to a much

led centralisation of party

sion-making and financial

no one could have done

in for his decision.

Education.

Our Vienna Correspondent

Austrian

During the next weeks, the Communists are due to elect a election and the directorate and secretariat.

changes in the party hierarchy. The new leadership structure was to have been chosen at the end of the party congress in March but it was decided to postpone the nomination until after the general and European elections. Although the Congress con-

under intense pressure following the electoral setback and the apparent failure of the "compromesso storico." This grand alliance of all

democratic forces was proposed essentially to bring the Comnunists gradually into govern-ment directly with the Christian

MONTOUS debate central committee at the end the first time of two deputy secretaries-general, flanking Sig. Berlinguer. A major reshuffle of the top leadership is also expected and certain members of the hierarchy could well lose

> These appointments will give the first tangible clue to the political direction the party intends to take. It is generally assumed that a number of hardliners, who have been increasingly critical of party policies in recent years will emerge in key postions.

The immediate issue facing the Communists is the role Sig. Pietro Ingrao will assume in the party. A highly respected

The new leadership structure Deputies, he has for some time new president of the Chamber. line, which would make Italy is likely to be much more collebeen identified with the left of So far, all the parties have extremely difficult to govern at gial than in the past and could the party and has also been an well see the appointment for outspoken critic of party policies. In the general election he was one of the few Communists to see his preference votes increase compared with the 1976 election.

However, as the first Com-

munist president of the Chamber, Sig. Ingrao has inevitably had to devote more time to his institutional tasks rather than to party activities.
Although Sig. Berlinguer and other top Communists would like him to stand again for presidency of the chamber, Sig. Ingrao has made it clear he wants a more active role in the

Ingrao among the new party leaders would not only be sig-nificant, but would also make party member and former presi- nificant, but would also make cerned about the adoption of a dent of the Chamber of more difficult the election of a tough Communist opposition

indicated they would support Sig. Ingrao's candidature for the chamber, as well as reconfirming the veteran Christian have already indicated they Democrat, Sig. Amintore Fan-will try to persuade the Comfani, as president of the Senate. But should Sig. Ingree not stand, other parties could well decide to propose their own

In any event, the Communists in the last 24 hours have explicitly confirmed their decision to return to opposition unless they are given seats in the

candidates.

This raises the crucial ques tion of what sort of attitude the party intends to adopt in oppo-sition, especially if hard-liners appointment of Sig. prevail in the current debate. Both the Christian Democrats and Socialists are deeply con-

and social anxieties. The Christian Democrats

munists to participate in a governing alliance short of their direct entry into government. However, they themselves are by no means united.

The elections have not proved the success the party had hoped. Moreover, it is in the throes of traditional manoeuvring in anticipation of the congress next autumn.

will play a central role in the formation of the new govern-ment, they are playing a wait-ing game to see how the cards will fall during the next few weeks inside the Christian Democrat and Communist



Sig. Enrico Berlinguer

end each month and one work

severe fuel problems, which

have become even more acute

as a result of the likely can-

cellation of the three-cornered

Soviet-Iranian-Czech deal. This

would have provided Czecho-

slovakia massive deliveries of

natural gas in the 1981-2003

period involving a sum of

The Soviets supply 93 per cent of Czechoslovakia's oil needs,

delivering this year 18.3m tons.

crisis Czechoslovakia has had to import an extra 300,000 tons

of crude from non-Comecon

Owing to the winter energy

2.5bn under a 1976 contract.

ing day every week.

Czechoslovakia also

Soviet economy recovers slightly

THE SOVIET economy has recovered only slightly from a disastrous first quarter, when production lagged behind last year's levels. Newly released figures show plan targets for January-to-May were exceeded slightly, but they also display some serious weaknesses in key

Volume of production as: a whole during the five months rose only 3.6 per cent, compared with 5.7 per cent called for in the 1979 plan. Pro-ductivity was up by 2.5 per cent. compared with a goal of 4.7 per

Eight industrial ministries and two highly developed republics, the Ukraine and Estonia, failed to reach their targets. One of the most serious shortfalls was oil which, at 482m tons, was 2m tons short of the May goal.

The Soviet Press says the oil industry is now 3.1m tons behind this year's plan, but Western observers think the gap

is nearer 7m tons.

Coal production increased to a five-month total of 306m tons. The Russians claim this is 4.7m tons over plan, but on the basis of published goals, it is actually 7m tons short. Gas continued

to perform strongly, advancing 9 per cent over the similar period in 1978. The Soviet chemicals sector is still experiencing difficulties, particularly mineral fertilisers. which are 8 per cent below last year's output level. Machinery building is also lagging badly and the Press is complaining

economy equipment roubles 800m (£5\$4m).
The timber and industries, too, are in a very serious situation, partly because of railway bottlenecks.

that the industry now owes the

Swiss output up

INDUSTRIAL production in Switzerland rose 3 per cent in the first quarter of 1979 compared with the same period last year, after exclusion of water, gas and electricity production, whites John Wicks in Zurich. Output volume, was 12 per cent lower than for last year's final quarter, but this is a usual seasonal phenomenon. The most important growth rates were those in machinebuilding and metals, the leather, rubber and plastics group, and the paper industry.

E. Europe petrol prices go up in bid to cut imports

BY PAUL LENDYAI IN VIENNA

STEEP PRICE increases for ducer in the east blor after the to reduce Comecon oil imports, ment said Hungary cannot be similar price increase in 1978. Government reduced the maxipetrol and petroleum products ed not to seek re-election. 46-year-old former banker. efforts within Comecon to cope level of imports.

s successor is likely to be Alois Mock, leader of the

BY GUY HAWTIN IN FRANKFURT

OIL SUBSTITUTION pro-

cesses, such as coal gasifica-

tion and exploitation of oil

shale, are rapidly becoming paying propositions as a result of this year's oil price

increases. This was claimed

yesterday by the West German Lurgi group, one of the market leaders in the

The heavy engineering group urged governments and

corporations to start planning

for introduction of oil, sub-

stitution as soon as a sible because of the long periods needed for planning and con-

Soviet Union, output has been have been announced this week falling continuously. It reached country which does not import oil on the world market. An by the Hungarian and Romanian a low of 13.7m tons last year any Soviet oil. Neighbouring additional factor is the beginhave been amounteed this week landing continuously the Hungarian and Romanian a low of 13.7m tons last year any Soviet oil. Neighbouring additional factor is the begin-governments. Scinteia. the and in March President Hungary, which gets 80 per using of the tourist season and Romanian party newspaper, Ceausescu revealed that cent of its imported energy and the arrival in Hungary of the control Romanian party newspaper, Ceausescu revealed that publicly demanded co-ordinated domestic output was below the

cent and also demanded in fuel and energy policy was stringent economy measures in still not adequate. It recompear—in the first week of resources and imported 12m. The oil bill accounts for one-public administration. Although mended "firm" action to launch January petrol prices went up tons last year, doubled petrol third of the country's foreign it is the second largest oil pro-co-operation ventures in order by 25 per cent. The announce-prices in mid-May after a trade deficit. In addition, the

struction of plant. Herr Heinz Hiller,

member of Largi's executive

Board, said that with crude oil prices above \$20 a barrel,

plant for the production of oil

from shale has become com-

petitive. A plant for convert-

ing German brown coal to

methanol fuel would be

economic at an oil price of

The imminent appearance

of oil substitution as a paying

proposition was illustrated

by the price of \$21.40 per

barrel set for Libyan crude and the \$27 per barrel

823 a barrel.

reached on the Rotterdam spot

While oil currently still has a s ubstantial edge on sub-

stitute products, recent trends

have shown that oil prices

will continue sharply up-wards, he said. Current oil

reserves of an estimated 90bn

tonnes covered 30 years' con-sumption and the shortage of supply would inevitably lead to higher prices.

Herr Hiller said that,

although plant for the conver-

Sion of coal to benzine and

light oil was estimated to be

Romania is the only Comecon isolated from the rising price of Furthermore the Government mum speed limit and Yugoslavs over 90 per cent of its crude several hundred thousand imports from the Soviet Union, foreign cars.

This is the second rise this oil consumption from domestic months.

expensive as an oil refinery.

rising oil prices were rapidly

A coal conversion plant, designed and conceived for

could produce benzine and

diesel oil at the equivalent

price of \$25 a barrel. An important by-product of the

plant was methane - as in

However, from planning to

production required four to

tive years. During this time,

the plant would become far

natural gas.

Africa, for instance.

making it competitive.

imposed a car ban on alternate are forbidden to drive one week-Neighbouring

which has to import 12m tons of crude this year in addition water the first crisis.

In a lengthy editorial on the increased the average price of Among other East European raised petrol prices in May price of petrol and oil by 40 per Scinterias said that co-operation Tuesday.

The a lengthy editorial on the increased the average price of Among other East European raised petrol prices in May countries, Bulgaria, which by on average 13 per cent, the covers only 2 per cent of its coverd in fuel and also demanded in fuel and occurred the average price of Among other East European raised petrol prices in May countries, Bulgaria, which by on average 13 per cent, the covers only 2 per cent of its coverd in fuel and occurred the average price of Among other East European raised petrol prices in May countries, Bulgaria, which by on average 13 per cent, the covers only 2 per cent of its coverd in fuel and occurred the average price of Among other East European raised petrol prices in May countries, Bulgaria, which by on average 13 per cent, the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers only 2 per cent of its coverd in fuel and occurred the covers of the coverd in fuel and occurred the coverd in f to a domestic output of 4m tons,

Governments urged to draw up oil substitution plans

price was bound to increase at

a faster rate than that of coal. Even in the field of coking coal for steel production, substitution would be needed if, as predicted, world steel production rose from the current 700m tonnes a year to 1bn tonnes a year by the end of the 1980s.

Lurgi, together with British Steel, have developed a method for converting lower qualities of coal to coking coal that could be used without problems in conventional blast furnaces.

Fuel supply problems figured prominently in talks Soviet leaders have conducted in

Hungary and Czechoslovakia in the last few weeks. It is understood that the Soviets told their East European allies that they will have to introduce stringent economy measures and raise petrol prices to dampen demand. AP adds from Moscow: A Kremlin decree published yesterday called for a "very strict regime" of energysaving measures throughout the Soviet Union.

sources this year.

Barclays Bank Base Rate

Barclays Bank Limited and Barclays Bank International Limited announce that with effect from the close of business on 15th June, 1979, their Base Rate will be increased from 12% to 14% per annum.

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The change in Base Rate and Deposit account interest will also be applied from the same date by the United Kingdom branches of

Lloyds Bank International Limited The National Bank of New Zealand Limited and by Lewis's Bank Limited

Liona Bank Timber

Labour unrest hits Spain as inflation rate surges

ine, are planning to extend flight heir six week old work to rule merely nto an indefinite strike, miners n the northern region of Leon nave just temporarily ended a seven-day occupation of local nines, while the country's 50.000 shipyard workers begin i third day of stoppages today.

Although each dispute has different roots, the rise in labour anrest looks had for the Government. It is probable that Spain's collective bargaining agreements will have to be renegotiated if this year's rise in the consumer price index tops 6.5 per cent by the end of

The Iberia pilots' work to rule has caused the cancellation of an average dozen, mostly internal flights, a day over the past

The dispute is over conditions: pilots' representatives claim that a further 400 pilots are

ABOUR UNREST has again needed in addition to the exist-pany occupied a mine, holding come to the fore in Spain. ing \$12. They claim that this four executives hostage until related to the fore in spain. It is the fundamental reason for they were guaranteed payment. schedule disruption. merely highlighted by their

rigid work to rule.
The pilots' organisation SEPLA has therefore begun proceedings for a legal strike, of indefinite duration. This will effectively ground all internal and international flights in about eight days' time unless agreement is reached. Spain's 60,000 shipyard wor-

kers, meanwhile, plan to extend the one-hour stoppages carried out on Tuesday and Wednesday into further stoppages and demonstrations today. They plan to escalate action until the Government implements the restructuring scheme agreed with the unions last sum-

But the miners' dispute in Leon has been the most dra- occupy the mine unless they are matic labour conflict this year, promptly paid. The dispute It began when 90 miners from prompt the Antracitas de Eabero com-region,

of three months outstanding wages.

The non-payment results from the non-payment results from the outstanding debts of the state-owned utility Endesa, which owes some Pta 3bn (£22m) to local anthracite producers. After a seven-day sit-in, the conflict has been temporarily resolved by the Government releasing Pta 800m to Endesa.

The miners freed the remaining two executives yesterday morning—two had already been released for health reasons— and accepted payment of their March wages as evidence of good faith.

However, Antracitas de Fabero has only received Pta 24m of the Pta 116m owing from Endesa. and the miners threaten to reprompted a general strike in the

Hope of breakthrough in struggle for a new Lome convention

BY MARGARET VAN HATTEM IN BRUSSELS

ombnibus continues to receive, sense of power. People began each year, the sum of \$4 from his legendary counterpart in order in the world.

Probably neither of them knows anything about the deal, or about the Lome convention which guarantees it, or of the battle to keep it going. Like so many EEC ventures,

the convention has failed to become a household word. But, unlike more ambitious efforts in Third World developmentsuch as the North-South dialogue, UNCTAD 5 or the plans for a common fund for third world commodities - it became a reality. Whether it is to outgrow its sickly infancy may be decided within the next month or two. Last month talks broke down.

The Lomé convention 1976-80 successor to the earlier Yaounde agreement by including the former British colonies, grew out of a mixture of self-interest and altruism. The Nine tried to reconcile: a genuine desire to help the then 46-now 57-African, Caribbean and Pacific nations (most of them former European colonies) who made up the ACP group; a wish to promote trade and protect their investments in these countries; and a fear that other third might follow the OPEC example and squeeze their Western

It started out with a budget of about 3.4bn Units of Account (\$4.4bn) for the five years. This covered a 375m UA fund, known as Stabex, to compensate losses in earnings from experts of several major ACP primary products (mostly unprocessed or semi-processed farm products) and provided loans and grants for development projects (emphasising rural develop-ment). The convention provided free access to EEC markets for Barbados, and Trinidad and 99 per cent of ACP goods Tobago—left a bitter taste in 99 per cent of ACP goods Tobago—left a bitter taste in (mostly farm products—goods everyone's mouth. Basically, it which might compete with EEC is a deal to allow these Commonproducts, such as temperate wealth countries to maintain farm products and certain traditional sales of raw sugar, manufactures, were excluded). mainly to the UK refiner Tate It guaranteed access to EEC and Lyle, whose facilities are markets at the Community's geared to cane sugar and cannot own supported prices for a fixed be adapted to beet sugar manu-

The signing took place in Although the ACP are guaran-Lome, capital of Togo, on a teed access at prices "within wave of euphoria. The EEC the EEC range," the sales are was delighted to be showing strictly private commercial deals. Nevertheless there are hopes the rest of the industrialised and no EEC funds have yet been of a breakthrough in the next

Signed in a wave of euphoria, the Lomé convention has left developing countries with the feeling that the agreement they got was not the one they signed. They are looking for big changes in the successor pact.

But the post-oil shock recession didn't bottom out, it got worse. EEC unemployment rose. The ACP didn't form community cartels, they began to act like people who didn't know each other awfully well. and weren't sure they had a lot in common. Various bits of the convention began to behave in a way some of the signatories had not foreseen. The ACP were selling more pod to the Community. particularly to Germany. France and the Netherlands. Their exports grew by 20 per cent a year. But this was quickly overtaken by their imports of machinery and capital goods from the EEC, particularly Germany, France and Britain. Within four years, the ACP's \$5.7bn trade surplus with the Community had

turned into a deficit. The sugar protocol-which is important to Mauritius, Fiji, Guyana, Swaziland and Caribbean states like Jamaics.

countries how to go into involved. This has not pre-partnership with the third vented the EEC commission final round of talks and a new world. The ACP countries, from writing off as a "develop-convention next month.

A BIG struggle is going on in having welded a very artificial ment aid" the hefty subsidies Brussels ostensibly to ensure union into a truly cooperative paid to its own producers to that the man on the Timbuktu effort, were savouring a new dump a corresponding amount of surplus EEC sugar on world

> Similar problems cropped up with the arrangements for rum. bananas and heef. Some parts of the convention worked quite well as far as they went. Stabex, for example, gave much-needed relief to small countries such as Benin, Burundi and the Ivory Coast when crops failed or prices fell. But it could do little for the bigger countries or for mineral producers, whose producers, whose products were not covered. The ACP began to feel the convention they had got was not the one they signed.

> They may have expected too much, both of themselves and of the EEC. The Community, after all, has other commit-ments—to the Maghreb and Mashreq countries, to India and Bangladesh, as well as to its own depressed regions. And the ACP governments were not always perfect partners in

development.

Nevertheless, the EEC was doing rather well out of trade with the ACP countries, so that when negotiations for a successor convention opened 10 months ago, the ACP were looking for some big changes to swing things more their way. They wanted Stahex expanded to cover more products, and a similar system for minerals such as copper, bauxite and manganese. They wanted trade curbs on manufactures relaxed, a special fund set up for industrial development, and more say in running the convention.

Their demands have not got far. The EEC has gone a small part of the way in some areasa few more products in Stabex, a scheme to help maintain production among mineral projects on the point of collapse-but says most of the ACP ideas are just too expensive. The EEC is ready to adjust overall fund-ing to inflation, but will not boost the real value—a point on which the British take a particularly hard line.

The issue of money has perhaps been over-emphasised because it was the issue on which talks broke down last quota of ACP sugar, and it facture. The protocol involves included special provisions for about 1.4m tonnes of raw sugar appear close to resolution. But restricted access to EEC a year, and is hotty resented by markets for beef, rum and the powerful EEC beet lobby, resume talks unless the EEC bananas. resume talks unless the EEC ness to make more than cos metic adjustments.

Economic plan ready for China's **Parliament**

By David Housego and Colina MacDougall in Peking

CHINA IS expected to unveil its revised economic plan when the National People's Congress, officially the highest legislative body in the country, meets on Monday.

The delay in convening the Congress, the date of which was amounced by the New China News Agency, has been due to divisions in the leadership over economic policies and the pace of political liberalisation.

At the last Congress in Feb-ruary, 1978, Chairman Rua Guofeng announced the ambi-tious modernisation protious modernisation pro-gramme including 120 major capital projects. This has since been drastically pruned as the leadership has become aware of the strains produced by over-rapid expansion, short-ages of raw materials and of foreign exchange.

Foreign companies with con-tracts under negotiation in China have been awaiting the revision of the plan because the economic slowdown has resulted in a virtual freeze on the signing of new agree-ments for major foreign plant:

Industrial output

industrial output in the first quarter of 1979 grew at only 5.6 per cent compared with the similar period of 1978. That contrasts with the 13-14 per cent growth rate achieved during the recovery of the recovery of the economy last year and in 1977 after the political disruptions surrounding Chairman Mao's death.

The New China News Agency said in its announcement yesterday that among the laws that would be passed by the congress would be one governing joint ventures between Chinese organisations and foreign firms. One of the stumbling blocks to companies wanting to invest in China has been the lack of a commercial code safeguarding them, for instance, from nationalisation, and also guaranteeing repatriation of

Parallel to setting the guidelines for readjustment to *the economy over the next three years, the congress is also expected to reveal how much liberalisation the leadership is willing to tolerate. On this there are divisions of both policy and personality.

ice-Premier Deng Xisoping, who encouraged the voicing of dissent in December, was clearly taken aback by the strength of popular agitation Democracy Wall " in Peking and in demonstrations in Shanghai.

Maoist principles

Deng has been criticised by a faction in the leadership ask-ing for a stricter application of Maoist principles. Some observers believe he has also been blamed for the hasty and ambitious measures that brought waste and dislocation to the economy last year.

Vonetheless. Deng's political position still seems secure and may even be enhanced at the congress. In bringing back Chen Yun, a senior economic administrator whose reputation rests on salvaging the economy in the 1950s with a stabilisation plan, to master-mind the readjustment of the growth in the future.

Chen Yun is associated with a belief in greater emphasis on agriculture, light industry, self-reliance and decentralisation. These are the policies that have been emerging in recent months with the downgrading of heavy industry

Iran bank nationalisation in tro

BY ANDREW WHITLEY IN TEHRAN

LAST FRIDAY'S nationalisa- reluctant government by the tion of privately owned banks Revolutionary Council. by the Iranian government is running into difficulty. A num-ber of newly appointed bank managing directors are refus-

ing to cooperate.

Banking officials say three managing directors—of the Omran, Etebarat and Iran-Arab banks—refuse to take up their appointments. Others are not going to their offices.

While the decision to restrict

while the decision to restrict their monthly selaries to a maximum of Rials 150,000 (£1,042), a tenth of what some managing directors used to earn, is a major concern, they are also worried about the nature of the nationalisation scheme and the way it was

Meanwhile, it has been officially confirmed that two banks are exempted from the state take-over. These are the Soviet-owned Russo-Iran Bank and the newly formed Islamic Bank, which has not yet opened its doors to the public. In both cases pressure from their owners is understood to have led the Government to back down.

Foreign bankers here are confused over the planned extent of state control. Nor has the basis of compensation been clarified, beyond reassurances by officials not involved in the scheme, and the way it was nationalisation decision that it apparently forced on to a will be "edequate."

One Western banker, reflect- gramme will be in ing a widely shared feeling said Mr. Ali Ardalan, yesterday that "if compensation is in any way reasonable It appears that we should hurry and get out." ment originally place we should hurry and set out."

A new supervisory structure nationalise four or is to be set up for the commercial banks. Managing directors will report to a five or privately by Iraniar seven-man board of directors Saderat, Iranians, appointed by the Government Shahryr. The directors of the comment of the to look after the day-to-day running of the system. They in turn will be responsible to

a council of six Government ministers acting as a hank general assembly. The council will include the Ministers of Commerce, Finance, Planning and Budget into public owner and the Prime Minister. Ardalan and Mr. A. Responsibility for implementing the nationalisation pro-

However, the E informing & Bazargan, the Primithat all banks had t

Attempt to cool constitution row India to

IRAN'S NEW constitution Sadr Haj Seyyed Javadi, the in the third week of July for could be approved by a constituent assembly within two Tinder Dr. Verdits proved assembly to debate the months. But there are still sharp conflicts within the Government and clergy over how the draft should be debated and given its popular mandate. The latest indications are that Ayatollah Khomeini may be backing down from his pro-posal to do away with an elected assembly and let the draft go to a national referendum after approval by

a panel of experts and the Revolutionary Council.

Among several proposals being aired to end mounting opposition to the Khomeini opposition to the Khomeini he is expressing more than a plan are compromise formulas personal view. He told the from Dr. Ibrahim Yazdi, the Persian daily, Ayandegan, yesforeign minister, and Ahmad terday there would be elections

Under Dr. Yazdi's proposals, assembly to outlined yesterday in an interview with the English-language Tehran Times, different strands of opinion, fearful of being steamfollered by the Shia Moslem hardliners, could be represented in an elected constituent assembly. They would debate a draft already approved by the revolutionary council. by the revolutionary council and it would then be put to a

referendum. A more liberal formula comes from Haj Seyyed Javadi, though it is not clear whether

He said the constitution

would be drawn up by lawyers, implying that the drafts prepared so far would be scrapped, and presented stage by stage to the public for their reaction. The assembly would be more than just a consultative body.

A powerful factor behind the current heart-searching is the threat by Ayatollah Shariat-Madari, the 77-year-old Qom the Aid-to-India consort meeting in Paris, as an exp moderate camp, to boycott any referendum on a constitution not previously approved by an elected constituent assembly.

S. Africa drops Press gag Bill

BY QUENTIN PEEL IN JOHANNESBURG

IN A remarkable climbdown He had described opposition to ness leader in 1977. In addition from his confrontation with a it as "hysterical screaming." the Petroleum Products Amend united South African Press, Mr. P. W. Boths, the Prime Minister, yesterday agreed to abandon his measure to curb newspaper reporting of corruption in government.

While threatening to take further steps against "certain irresponsible media," Mr. Boths announced the scrapping of the controversial gag " clause of his advocate general bill, which would have stopped publication of corruption stories like the recent Muldergate scandal.

government Afrikaans news-

But while the climbdown was : welcomed by journalists, academics and lawyers who had combined to fight the bill, they pointed out that Press reporting has already received a drastic setback this week with the azetting of amendment to the Police Act, curbing the free reporting of allegations of brutality and maladministration

His decision, following out- Act also became law yesterday spoken criticism not only from preventing any reporting on the liberal English-language suspicious deaths before an Press, but also from the pro- inquest Both laws are seen as intended to prevent a repeti-

the Petroleum Products Amendment Bill will forbid ell reporting of oil supply, storage and distribution either in South Africa or overseas, while the National Supplies Procurement Act will enable the government to declare whole sectors of the economy officially secret. Mr. Botha's sudden change of

heart on the Advocate General's bill is undoubtedly a response in the police force. So the unprecedented resistance

Five major items of legisla- it generated especially within
tion aimed at curbing press, his own party. But his resentreporting have been brought to ment of press reporting parliament this session. Apart especially over the battering from the police amendment act, taken by the Government an amendment to the Inquest because of the information

scandal remains.

In his statement to partiament, he warned that "government and public concern regarded the role of certain irresponsible media is increasing and the Government is companied to projects. This often leads to slow disbursements and utilisative the process of identipapers, was a complete reversal tion of the publicity given to irresponsible media is increas-of his previous insistence that the deaths of prisoners in ing and the Government is com-the principle of Press censor detention such as that of Mr. mitted to taking steps should ship must remain in the bill. Steve Biko, the black conscious- these actions cease."

Nyerere counts the cost of war

BY OUR DAR ES SALAAM CORRESPONDENT

Tanzania has for the first time economy. put a figure on the cost to his country of the war to overthrow Idi Amin in Uganda. He con-firmed that the next 12 months would be a tough struggle for the already shaky economy of this 17-year-old Socialist state.

Tabora in the Central Region that it had been roughly esti-mated that the fighting would cost £250m in the year from October 1978. Tanzania was economy, he also hopes to now heavily in debt and had a ensure a smoother rate of serious foreign exchange shortage. As the President was touring the country appealing for greater efforts and higher pro-

Dr. Nyerere told a meeting at

duction to boost the crippled of Tanzania's £250m in annual economy. Mr. Edwin Mtei, his aid to switch from help tied to Finance Minister, said that the budget for the 1979-80 financial year, now being devised, would outside the energy and trans- be one of the toughest ever. It would be a budget of rebabili- has responded by agreeing that, defeat of Amin.

land and in Zanzibar.

were heavier than usual.

the Indian Ocean at Dar es

Natural calamities have added to Tanzania's woes this year. Flooding swept the country in recent months, especially the low-lying coastal strip, as the seasonal rains lasted longer and

In the coastal region alone it was reported recently that crops worth £800,000 had been destroyed. Several hundred homes were washed away on the main-Roads and bridges were cut and the Chinese-built Tazara railroad, which links Zambia to

Salaam, was out of action for a month between April and May. Dr. Nyerere would like donors specific projects to grants for essential imports so as to ease the cash crisis.

Sweden, the main aid donor,

port support. The Netherlands, too, came forward with £11m in untied cash in addition to its other aid. Despite this help, the Tanza-

lic spending cuts and for famine of foreign-made goods as imports are slashed to a mini-AP reports from Kampala: Ugandan public opinion was being prepared yesterday for

dent, who was overthrown by ldi Amin eight years ago. Dr. Obote has spent his exile in Tanzania, where his Socialist views found favour with President Nyerere. But the

PRESIDENT Julius Nyerere of tation for the war-ravaged out of a £125m grant over three Tanzania has for the first time economy.

years, £15m can be used for im-

nians are tightening their belts for more shortages, for big pub-

the possible return home of Dr. Milton Obote, the exiled Presi-

former President was excluded from the coalition which took over in Kampala after the

receive \$3.4bn in foreign al

INDIA is to receive foreig of \$3.4bn from the Worl Bank, Western countries Japan this year, making recipient of around 40 per of the total aid given to

World countries.
Officials in New Delhi meeting in Paris, as an exp. potential for quick econo development and in the go management of the economy

They had feared that donors would cut assistance to year because of India's lar and growing foreign exchan reserves, which now exce \$700. In fact pledges made members of the consortium were more than the \$2.4bn com

mitted last year.
The pledges were made after a highly-favourable World Ban! report on the Indian econom, had said that the reserves wer deceptive since they could be wiped out by a series of bad monsoons. This would necessi-tate foodgrain imports again. although this is highly unlikely since foodgrain stocks now

exceed 20m tonnes.
The more effective argument used was that the terms of trade had deteriorated so much that, because of a trade deficiof more than \$1bn last year and the prospects of rising oil import prices, there is now a net

tion since the process of identifying projects and then nego-tiating the aid for them takes considerable time.

This is the main reason why

aid in the pipeline is \$4.5bn compared to \$3.7bn a year ago. The larger total of aid pledged is due to higher amounts promised by the World Bank, the U.S. and European countries. Britain and Canada, which have new Governments. have still to make pledges, but the figure of \$3.4bn assumes that these two countries will. at least, maintain the level of last year's commitments. Oil deal defended

JAKARTA - Indonesia's Par-

liament has questioned the \$160m contract with Japan signed recently by Mr. Piet Haryono, director of the state oll concern Pertamina. Mr. Santoso Donose utro, of tee Democratic Party, questioned whether Indonesia had mortgaged 40 per cent of its

ing the agreement.
Mr. Haryono said Indonesia had not mortgaged its oil and would decide the price of supplies to Japan. AP-DJ

oil production to Japan by sign-

A correspondent in Jeddah examines the effect which the Egyptian-Israeli peace treaty has had on Saudi Arabia

Uncomfortable decisions for the royal house of Saud THE EGYPT-ISRAEL peace treaty has caused the greatest crises for Saudi policy-making found it the death of King Faisal in 1975. Saudi Arabia's inability to influence President Sadai up to influence Sadai up to infl

the signing of the treaty in March and to remain adequately informed of U.S. intentions has led to a re-examination of its relations with both countries.
Saudi Arabia, which has provided Egypt with \$7bn in non-military aid since the 1973 war and whose assistance was crucial during the 1977 balance of payments crisis, subscribes to a policy that caries the risk of President Sadat's downfall and his possible replacement by a

caused great offence.

In relations with the United States, the high hopes raised by last year's congressional approval of the sale of F-15 aircraft to Saudi Arabia have evaporated. Both Saudi officials and businessmen greatly doubt whether the Carter Administration's Middle East policy can suc- to protect the Shah from these ceed while what Riyadh regards forces. as sniping from Washington has

from his colleagues has been exaggerated, the strategy he being followed. That fact affects progress in Egyptian-Israeli Saudi willingness to raise oil relations. But two days later. output to halt the oil price

Believing that ultimately only the U.S. can guarantee Saudi security. Saudi Arabia expressed its consistent opposition to President Sadat's peace initiative within the context of cooperation with the U.S. But between the Camp David summit last September and the signing of the peace treaty in March this gested that Saudi Arabis had far more to fear from radical forces in the Middle East than from the Soviet Union. Moreover, the U.S. was demonstrably unable

orces.

But attitudes hardened after
Increasingly disillusioned, the Mr. Sadat's strident attacks on aused great offence. Crown Prince cancelled a visit the Saudi royal family on May After Camp David, Crown to Washington in March and took Day. Doubts grew about how

Riyadh that the kingdom had secured the least damaging boycott of Egypt, contingent on Prince Saud al-Paisal. Foreign Minister, could find no support for his initial resistance to the hard-line measures advo-

cated by the Palestine Libera tion Organisation and Libya and supported by Syria and Iraq. At first Saudi Arabia indicated that the question of how far Egypt could be pressed economically was being examined on a daily basis and was related to the question of what the U.S. could do to broaden the scope of negotiations and involve the Palestinians. Saudi officials denied that the post-Baghdad policy must inevitably lead to Sadat's downfall,

the Saudi royal family on May

Egypt-based Arab arms industry. He also threw doubt on whether Saudi Arabia would pay for the U.S. F-5 aircraft Egypt was to acquire, although Saudi officials, including Prince Sultan, had said that the money would go through.

But diplomats and Saudi businessmen believe this will be

the limit to Saudi action against the Egyptian economy for the present. All new private sector investment has stopped, according to a leading Jeddah businessman but not as a result of any direction from the Government. Apart from real estate holdings-there are thousands of Saudi boltholes in Cairoinvestment by Saudis in service industries and tourism amounts to only about \$100m.

Emirates in seeking to dissolve Egyptian workers in Saudi the Arab Organisation for Arabia; and the halting of Industrialisation, the nascent, direct flights to Egypt. Remittances from Egyptians resident in Saudi Arabia and

from their counterparts in the Gulf States are expected to amount to \$1.7bn this year and are a major factor in the improved health of the Egyptian economy and, thus, of Sadat's greater political independence. Each of these proposed steps would have serious disadvan-tages for Riyadh without much tages for Rivadh without much still further and the education office closed. There are plans drawal of the deposits would impair the non-political reputation of Saudi investment over the saudi investment of the education.

monetary agency last week. Saudi Arabia has ordered the extension of the contracts of

Businessmen say, however, that new visas are not being isued to Egyptians, though this may be due to confusion at the reduced Saudi mission in Cairo. The mission is to be trimmed

Southern Arabia and in military procurement

But the strain in U.S. Saudi about 60,000 teachers from relations halted this process figypt who are the backbone of the Saudi state school system. the crown price's paramount in-fluence over oil policy. Since the crown prince's return from abroad in May, his presence has been felt, however. Moves to moderate Press attacks on President Sadat are attributed to him. But the prospect of his seeking to raise oil production to meet a shortfall in the West is extremely unlikely.

impair the non-political reputa-tion of Saudi investment over-seas and might carry the risk of sequestration of private holdings.

In 1977, Prince Fand, at con-siderable risk to his position, oil policy are more subtle. When succeeded in persuading the King Faisal died, the transition There is a precedent for cut- of power seemed smooth, but tion to undermine a 10 per cent ting off remittances. Last year, the parcelling out of his responsible increase in prices by the other sibility remained only broadly members of the Organisation of defined between King Khalad defined between King Khaled Petroleum Exporting Countries.

raising the price of Saudi light crude so as to unify the oil price around a basic \$17-\$18 a harrel or about \$3.50 above the present level. Even this modest programme appears to have been gvertaken by a new round increases sparked off by and Iraq and absorbed o But whatever the role Crown Prince, diplomats d

capacity. Because of the peace

treaty, the political embarrass-ment of association with the

U.S. in this would probably out-

weigh its benefits.

weigh its benefits.

Earlier this month, it became apparent that Saudi Arabla might be willing to go half way by increasing production by about 500,000 barrels a day and raising the price of Saudi light

with the U.S. will suffer Saudi Arabia has also conSidered and apparently rejected

Three other sanctions against

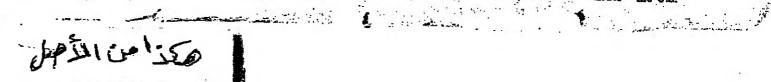
Sidered and apparently rejected

Arabia were blocked. But the groups With the pro-U.S. policy

The oil market is consider
the only about stoom.

Quentum to proceed the process of the prince fine that there is no alternate the U.S.

Quentum to process the prince fine that there is no alternate the U.S.



Financial Times Friday June 15 1979

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Why we were the top company last year.

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INVESTMENT COMPANY LIMITED Cincorporated in the Republic of South Africa) NOTICE TO HOLDERS OF FREFERENCE STOCK WARRANTS TO BEARER PAYMENT OF COUPON NO. 53

Paris 98

Outerard Haussmann
Paris 98

In respect of coupons lodged at the contectal paris 198

In respect of the contectal paris 198

In respect of the contectal paris 198

In exchange in South African Currency rade in South African Continental paying agent, Instructions resarding disposal of the paracetes of the payment so made must be given to such authorised dealer by the continental paying agent, Instructions resarding disposal of the paracetes of the payment so made must be given to such authorised feater by the continental paying agent, Concerned.

John South Africa, payment in rand to an address in the Republic of South Africa, paymens will be made in United Kingdom currency equivalent for paying a feater of the United Kingdom currency equivalent for their dividend on 7th August 1979 or:

(ii) in respect of coupons lodged further the United Kingdom currency equivalent for their dividend on 7th August 1979 or:

(iii) in respect of coupons lodged Currency value of their dividend on 15th August 1979 or:

(iii) in respect of coupons lodged on or after 8th August 1979

(iii) in respect of coupons lodged on or after 8th August 1979

2.55 2.10

London Office: 40 Helbern Vladuct ECIP 1AJ 14th June, 1978

A Member of the Liberty Life Group

ANGLO AMERICAN CORPORATION NOTICE TO HOLDERS OF ORDINARY

SHARE WARRANTS TO BEARER PAYMENT OF COUPON No. 91 SHARE WARRANTS TO BEARER
PAYMENT OF COUFOR-ND, \$1

With reference to the notice of declaration of dividend advertised in the press on 8th June. 1979. the following information is bubblehed for the graduance of helicits of share warrants to bearer. The dividend of 32 cents per share warrants to bearer. The dividend of 32 cents per share warrants to the share warrants at 4.09184 cents per share warrant coupons leaving a net-clividend of 27.30816 cents per share warrant coupons leaving a net-clividend of 27.30816 cents see share warrant coupons leaving a net-clividend of 27.30816 cents er share. The dividend on bearer shares will be paid on or after 27th July, 1979 against surrender of coupon No. 91 detached from share warrants to bearer as under:

(a) At the offices of the following continental paying agents:

Continental paying agents

currency value of their dividend on 23rd July. 1979 or:

(iii) in respect of Coupons lodged on a after 19th July 1979 on an after 19th July 1979 on a coupon of the respect of acchange on the respect of the proceeds are respected, through an authorised dealer in exchange in Johannesburg to the London Bearer in exchange in Johannesburg to the London Bearer Reception Office.

Coupons must be left for at least four clear days for examination and may be presented any weekday of the coupon and the coupon be proposed to the coupon deposited at the London Bearer Keingdom currency in respect of coupons are accompanied by Idaned Revenue declarations. Where such deduction is made, the set amount of the dividend will be unless such declarations. Where such deduction is made, the set amount of the dividend will be unless such declarations. Where such declarations where such declared such african Currency Currency Currency Currency Currency Comb per share Arrived at as under:

22.40

the Committioners of inland Revenue to State:
Under the double tay operement between the United Kingdom and the Republic of South Africa, the South Africa, non-resident shareholders' tay sophicable to the dividend is allowable as a credit separate the United Kingdom tax beysile in respect the United Kingdom tax beysile in respect of the Country of the Country of the South Country of t

First Union General Investment Trust Limited

AMERICAN NEWS

Move to increase windfall profits tax

BY DAVID BUCHAN IN WASHINGTON

THE HOUSE Ways and Means some of the large extra tax by raising the tax rate on profit from existing crude sup-profit from existing crude sup-plies by 20 per cent to 70 per June 1. Its proceeds are to go cent, and easing the tax take into Government programmes on future oil discoveries only for public transport and alter-

But the tax rate increase. which would cost oil companies an extra \$6bn on top of the \$20.6bn they will probably have to pay in the period 1980-84 greatly trouble the President. Indeed, under criticism by

BY IHSAN HIJAZI IN BEIRUT

against Canada to deter the implementation of an election

pledge by the new Conservative Government of Mr. Joe Clark to

transfer the Canadian embassy

to Jerusalem, from Tel Aviv. According to Arab diplomats

Saudi Arabia has suspended negotiations with Canadian

companies on contracts worth \$1.5bn (£713m), pending developments on the Jerusalem

question. The diplomats did not

Reports in the Beirut Press

recently said the Canadian move

was bound to threaten the

multimillion dollar communica-

tions contract which the

Canadian company, Bell, was

Westinghouse's C\$85m (£34.8m) contract for selling

turbines to Libya may be in

danger. Arab oil producers are

reported to have warned Canada that an oil embargo would be

imposed on it if the embassy

were moved. Moving the embassy is seen in the Arab

world as recognising Jerusalem

Toronto: a senior observer of Canadian-Arab affairs said: "If

Mr. Clark wants to retrieve bis

position now, he will have to make a major gesture to the

However, Mr. Clark has more

to patch up than Canada's rela-

tions with the Arabs. His per-

formance last week confirmed the worst fears of the Canadian

business community that the

lack of experience in inter-

as the capital of Israel. - Jim Rusk writes from

Arabs.

fulfilling in Saudi Arabia.

name the companies involved.

decision to start phasing out native energy sources to oil and

The aim of decontrol is to what the oil companies' appetite to extract more from existing reserves and to look for new under the Carter plan, will not supplies. Energy Department staunch pro-oil man. greatly trouble the President. officials believe that the House Thus Congress may Indeed, under criticism by committee's action this week to Senator Edward Kennedy and ease the tax burden on "new" others that his tax plan was "a oil — essentially by taxing at figleaf" to mask a surrender to 50 per cent a smaller profit - essentially by taxing at the oil industry on decontrolling oil prices, Mr. Carter has publicly invited the Congress to stiffen the tax.

The tax is designed to cream off for the Federal Government of the lim b/d or so that the Carter plan would hopefully bring in extra production,

THE ARAB states are reported national affairs which Mr. Clark hastily but remained a long-to-base demonstrated in a pre-election term objective. Miss MacDonald against Canada to deter the world trip in January, would was told that a number of Arab

result in a major blunder once

Mr. Clark has handled the

embassy affair ineptly he announced the move at his first

press conference as Prime Minister, apparently before he

or his new Minister of External Affairs, Miss Flora MacDonald had been briefed on the impact

that cuch a move would have on Canada's trade and diplomatic relations with the

Arab states, or on the effect that it would have on the delicate political balance in the

Middle East. Nor were any of

Canada's allies consulted.

Two days after the announce-

ment, Miss MacDonald met the

ambassadors of nine Arab countries who warned her of

the damage that would result.

After the meeting, Miss MacDonald, who has expressed

sharpening speculation that 85-

year-old Mr. George Meany will finally decide to step down this

year as the President of the

American Federation of Labour-

Congress of Industrial Organi-

from a lengthy illness caused by

a reaction to a cortisone injec-tion. His weight has fallen by

more than 20 lbs and he is said

to be somewhat less robust than

private doubts about a move, finally said it would not be done move.

Meany may step down

A NINE-WEEK absence from of marriage. His bereavement.

his office because of illness is coupled with his illness is mak-

sations (AFL-CIO). doubt that, if he chose to run Mr. Meany has been suffering again, he would be re-elected

sual. land, his deputy of the past 10 Mr. Meany was widowed years and a member of the Mates

he was in office.

Shares of some oil companies oil companies might use to Committee has toughened Presi-revenues the oil companies will fell on news of the committee's dent Carter's windfall oil profits reap from Mr. Carter's executive action this week, including those action this week, including those of the British Petroleum subcontrols on domestic oil from sidiary, Sohio, which would be June 1 Its proceeds are to go affected by the lack of a special tax break for its Alaskan oil.
But the shape of the windfall tax is far from final. The Ways; majors. and Means Committee is aware that the plan still has to go

through the Senate Finance Committee, whose chairman, Senator Russell Long, is a Thus Congress may in the end settle for something very near Mr. Carter's original plan, even though public and legislative support to tax the profitable oil industry has markedly increased in recent months.
The House

deferred action until later in the year on a plan to tax any

relations

would mean

Canada if the embassy were

Canada, which is only now start-

ing to penetrate the Arab market, could lose about

\$C500m in exports and an equal

It is thought that an oil

embargo is unlikely because of

the difficulty in enforcing it.

However a move would have

trievably damage Canada's reputation as a fair and

unbiased actor in luternational

affairs, and its troops would be

unacceptable for United Nations duty, It is considered probable that Canada will have

to withdraw its UN troops in

the Middle East no matter

what action the Government

finally takes on the embassy

ing union leaders wonder whether he can revive his old

The AFL-CIO presidency has

been filled by Mr. Meany for the

past 24 years and there is no

unopposed at this year's biennial

conference in November, Should he decide to retire, however, his

successor is widely expected to

be 57-year-old Mr. Lane Kirk

appetite for work.

amount of service contracts.

countries

moved.

This

diplomatic

acquire non-energy companies. Complaints about oil company diversification out of energy and into department stores, timber and unrelated areas has been a major part of President Carters recent rhetoric against the oil

Meanwhile, domestic car sales dropped a sharp 28.6 per cent in the first 10 days of June, com-pared to record levels in the same period a year ago. Industry analysts said petrol shortages and fears that these will continue accounted for the decline, which was heaviest among big gas-guzzling models.

roofitable oil The biggest drop in a single fly increased category was a 50 per cent decline in sales by General Committee Motors' Cadillac division. By contrast, smaller cars sales held the year on a plan to tax any up reasonably well, as have profits from price decontrol that imports in recent weeks.

Arab 'sanctions' against Canada Setback for

merger

By John Wyles in New York EASTERN AIRLINES yesterday became the third possible acquirer of National Airlines to fall foul of an administrative law judge's decision that the proposed merger would be anti-competitive and should not be allowed.

His recommendation follows a similar ruling from another judge in April that neither Pan American World Airways nor Texas International Airlines should be permitted to go ahead with comparable bids for National, whose stockholders have since voted in favour of a merger withf

Pan Am.
The CAB has already started reviewing the April recommendation by Judge

week of July.

This would bave to be endorsed by the White House because airlines with overseas routes are involved and 60 days in which to overturn

the CAB if he wished.

The judge stressed the non-regulatory barriers to comand the lead times in obtain-

U.S. airline

Judge Richard Murphy urged the Civil Aeronautics Board to turn down Eastern's application to create the second largest airline in the non-communist world through the \$425m acquisition of National

William Dapper and a final decision on the Pan Am and Texas International cases could be taken by the first

President Carter would have

Judge Murphy's decision will also be reviewed by the CAB which will give Eastern a chance to present oral arguments against his conclusion that a merger with National would substantially lessen

U.S.
Judge Murphy's finding had
been widely expected within the industry because of the major routes in which the two airlines compete. He noted that the two Mlami-based carriers compete directly in the New York-Florida, Washing-ton-Florida, New York-Washington and intra-Florida

petition which are steadily emerging. New airlines would, he said, bave difficulty entering the North-east Florida markets because of growing airport congestion ing reeded aircraft.

U.S. OPEN GOLF

Big hitters make strong start on changed course

BY BEN WRIGHT IN TOLEDO, OHIO

THE 79th U.S. Open gold chamat 7.15 am this sunny morning, and the event was soon sur-rounded by controversy. A twostrokes penalty was slapped on one of 14 amateurs in the field. Thomas R. Inskeet of Fort Wayne, Indiana, after an hour and a half of play, at which stage the player in question, a member of the second trio to start, was still only on the 7th

There has also been general criticism by the players of the alterations that have been made to this great old course before it was considered fit to host the championship for the fourth time. It was in 1920 that the first U.S. Open here was won by the British golfer, Ted Ray.
In the interests of making

the course longer, tougher and more easy for spectators to get around, the 3rd, 5th, 6th and 8th holes were redesigned by George Fazio and his nephew Tommy in themselves the changed holes are perfectly adequate, but as the great Jack Nicklaus pointed out: "The trouble is that they are totally out of character with Ross feeling for the game. They just bear no resemblance to his design of the other 13 holes." Tom Weiskopf was rather more specific, He said: "Why

the hell do they have to change the great old golf courses? You wouldn't change the Mona Lisa, would you? Regardless of what changes are made there is always going to be a winner, and who cares if he scores what the officials thing is an absurdly low total? It merely proves that he is the best golfer in the world for the week in question." I have to agree with the comments of both these great men. But the fact remains that this is still one of the finest golf

courses on the Continent, a par 71 layout stretched to 6,982 yards for the occasion, with only two par fives, the 8th and 13th and three par threes, the 3rd, 6th and 12th holes. Quite the most outstanding feature of the course is the tiny greens, which undulate fiercely, and are aiready possessed of a nervewracking speed. They are cer-tain to become much faster before the weekend is out.
Arnold Palmer, whose name is no longer mentioned as a

possible winner, was on the golf course early this morning. But his name did not remain on the leader board for more than a few minutes, since he booked opening hole of 398 yards and took a six. Not much better was Nicklaus, who a few minutes later dropped a stroke to par there himself, and the defending champion Andy North, whose chances I do not rate very highly, has borne out that conviction by dropping

shots at the 1st and 3rd holes. The early leaders—with play likely to have gone on until shortly before nine o'clock last night—were the big hitters Lon Hinkle, who is two under par after eight holes, and the immensely promising Keith Fergus, who was an outstanding amateur at the University of Houston, who was two under par for the outward half, which he has covered in 33 shots.

The play terribly slow, but pionship got under way here this hardly surprising with so at the historic Inverness golf many unknown players in the pionship got under way act the historic Inverness golf many unknown players at the historic Inverness golf many unknown players act the historic Inverness golf many unknown players are at the historic Inverness golf many unknown players are through course designed by Donald Ross field who somehow get through the sectional and area qualifying competitions.

My own choice for the championship has to be Tom Watson, because he occupies now the position of eminence in the game that has been in the pos-session of Nicklaus without fear of argument since 1962. Ed Sneed, of Ohio, who so tragically threw away the U.S. Masters tournament at Augusta in April



Jack Nicklaus (above) and Arnold Palmer ... dropping



is a popular local favourite to win the title, and goodness knows there could not be a more popular winner. But in my opinion the wounds inflicted mentally and psychologically on my good friend Ed on that tragic April evening will take a long time to heal, and I feel the pressure on him if he got into contention on Sunday evening would be too hard to handle,

Of the other fancied contenders I like most the chances of Jerry Pate and Andy Bean, who I saw play golf of superla-tive quality in Atlanta last weekend to win the tournament by eight shots, including a round of 61 that was as close to perfection as anything I have eve seen on a far from easy golf

At time of writing the leader board indicated that Fergus had the lead outright at two under par after 10 holes from Hinkle, who had reached the turn at one under. These were the only two players under par while at even par came three fancied competitors, Pate, who had played eight holes, and Lamy Wadkins and Al Geiberger, who had played six apiece. Nicklaus still one over par, having played four holes, as the U.S. Amateur champion, John Cook, and another short-priced runner, Hubert Green. Sad to say the defending champion North had gone south. He was three over par after four holes.

INTERDI REPORT FOR THE SIX MONTH PERIOD ENDING 30 JUNE 1979 The board of directors of First Union General Investment Trust Limited has pleasure in announcing the unaudited estimated consolidated results of the company and its subsidiary for the period of six months ending 30 June 1979.

	Six months ending 30 June 1979 (Estimated)	Six months ended 30 June 1978 (Actual)	Year ended 31 Decemi 1978 (Actual)
Net profit after taxation Less: Dividend on preference shares	R3 425 000 6# 000	R2 639 000 65 000	R5 017 000 130 000
Net profit attributable to ordinary shareholders (notes 1 and 3)	R3 360 800	R2 574 000	R4 S87 000
Number of ordinary shares in issue Earnings per ordinary share	62 100 000 5.41 cents	62 100 000 4.14 cents	62 100 000 7.87 cents
Ordinary dividends (note 2)			
—Interim declared June 1979——————————————————————————————	3.50 cents	3.00 cents	3.00 cents 3.75 cents
	3.50 cents	3.00 cents	6.75 cents
Net asset value per ordinary share (note 4)	147 cents	104 cents	125 cents

1. The income of the Trust does not accrue evenly over each half-year period of the financial year but is dependent on the timing and dividend policies of the Trust's underlying investments. 2. The total ordinary dividends for the year ending 31 December 1979 can be expected to be not less than 7.5 cents including the 3.5 cents interim dividend herein declared,

Surpluses or deficits on realisation of investments are transferred to a non-distributable reserve in terms of the articles of association of the company and are not included in the

The net asset value of 147 cents per share was calculated at the close of business on 4. The not asset value of 121 cents per same preference dividends herein declared. On behalf of the board

Johannesburg 14 June 1979

D. Gordon (Chairman) J. R. McAlpine (Director)

DECLARATION OF INTERIM ORDINARY AND PREFERENCE DIVIDENDS IN RESPECT OF THE YEAR ENDING 31 DECEMBER 1979

Notice is hereby given that the undermentioned interim dividends have been declared in respect of the year ending 31 December 1978 payable to ordinary and preference shareholders registered in the books of the company at the close of business on 29 June 1979. The ordinary and preference share registers of the company will be closed from Saturday 30 June 1979 to Saturday 7 July 1979, both days inclusive.

Dividend number Cents per share

Ordinary shares ... 61 per cent cumulative redeemable preference shares 3.25 The dividends have been declared in the currency of the Republic of South Africa and cheques in payment thereof will be posted from the offices of the Johannesburg and United Kingdom Transfer Secretaries on or about 30 July 1978. In accordance with South African Income Tax statutes, non-resident shareholders tax at the rate of 15 per cent will be deducted from dividends where applicable.

Cheques in respect of ordinary dividends issued from the United Kingdom office will be drawn in the United Kingdom currency equivalent on 23 July 1979 of the rand value of the dividend payable (less appropriate taxes) except where shareholders concerned have given written notice of their election to be paid in South African currency and such notice is received by the United Kingdom or Johannesburg Transfer Secretaries on or before 2 July 1979, By order of the board

14 June 1979 Johannesburg Transfer Secretaries: Security Registrars (Proprietary) Limited, Sixteenth Floor. Nedfin Place.

Corner Simmonds and Kerk Streets,

Johannesburg 2001.

J. M. Cane (Secretary) United Kingdom Transfer Secretaries: Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford. Kent TN24 SEQ.

Sioux nation wins \$100m court award

earlier this year after 60 years and Pilots Union.

BY OUR WASHINGTON CORRESPONDENT

THE SIOUX nation has won its tion, in return for which the first victory for over a century U.S. Government promised to against the U.S. Government, give them certain food supplies. The Court of Claims this week But a few years later, when gold

The court settlement, the largest ever awarded to American Indians, set the fair market value of the Black Hills region of South Dakota at \$17.5m when it was taken from them in 1877. But interest on this should total between \$90m and \$115m, the court said. The Government has not yet decided whether to appeal against the ruling to the

U.S. Supreme Court. The Sioux case is only one of a number of suits that Indians have filed. But while some of the suits are actually claiming back wide areas of land, the Sioux suit centred on compensation and, the court found, contained a history of double dealing by Washington.

An 1869 treaty gave the Sloux

ruled that the Sloux were was discovered in the Black entitled to more than \$100m in Hills, President Ulysses Grant compensation for land confis-secretly ordered the U.S. army cated in the wake of Gen. not to prevent prospectors and George Armstrong Custer's miners from intruding on the defeat and death at Little Bigthat their food needs would keep the Sioux quiescent. They did not, as Gen. Custer found out.

With their food cut off in 1877, the Sioux had no siterna-tive but to accede to U.S. demands that the Black Hills be given up, the Court of Claims

AP adds from Washington: The decision did not win praise from the president of the Oglala Sioux tribe at Pine Ridge, Dakota. Mr. Elijah Whirlwind Horse, said "Although this is the largest claim ever in the history of the U.S., the individual Indian will not benefit. The people that will benefit are the Federal Government itself, and the Washington lawyers who An 1869 treaty gave the Sioux have worked on this case for Indians the Black Hills reservathe last 40 or 50 years."



Base Rate

BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A.

announces that from 15th June 1979 its base rate is changed

from 12% to 14% p.a.

100 Leadenhall Street London EC3A 3AD

Rhode Island: gateway to growth in the U.S.

The state of Rhode Island, with its own deepwater ports, major commercial airport, main line rail service and excellent interstate highway network, could be the growth opportunity you've been looking for in the

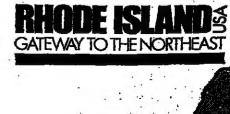
As you can see from the map, Rhode Island isn't an island at all. It's actually an integral part of a thriving market that includes four of the largest U.S. cities and Canada's largest city within 800 kilometers. That puts 76 million Americans and Canadians with a 250-billion pound annual income well within a day's delivery by truck

Our strong industrial heritage reaches back two centuries to when the American manufacturing system was born in Rhode Island. Today, we're a leader in the manufacture of precision instruments, electronic equipment, jewelry, metals, textiles, electrical machinery, plastics, and transportation equipment.

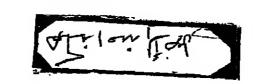
Labour? Rhode Island has more skilled workers per square kilometer than any other state in the U.S. (And, if you need skills we don't have, we'll train people for you.) Financing? We have excellent programs to help finance new industrial facilities, backed by a strong financial community with considerable international banking experience.

And a comprehensive tax reform program that has greatly improved our business climate.

We'd like to tell you more about why Rhode Island is the right place for your new plant or headquarters in the United States. Call or write: Scott Eubanks, Director, Rhode Island Department of Economic Development, One Weybosset Hill, Providence, Rhode Island 02903, USA. Phone: (401) 277-2601.







Choosing the right truck is an important financial decision, but do you know just how important?

A mere ¼p a mile difference in overall running costs between two makes of truck each doing 100,000 miles works out at a saving of £250.

With 20 trucks that's £5,000 saved. Over 400,000 miles, that's a saving of £20,000.

Nearly enough to buy yourself a new truck.

And the difference between the very best and the very worst truck can work out at considerably more than ¼p.

Clearly it's vital that your company runs the most cost effective trucks.

To help you make your choice, here are some of the conclusions drawn from an independent test conducted by "TRUCK" magazine on Europe's best trucks.

It's worth noting that an M.A.N. truck came out on top and as such was voted by an International Jury, "TRUCK of the Year 1978."

"Spectacular economy."

"The ability to earn revenue at low cost, to perform adequately with the utmost safety, to keep on working with the minimum interruptions and to achieve all this with a commendably simple design are the award-winning features of the M.A.N. 16.280.

It is a vehicle that has been aimed squarely and clear-mindedly at the requirements of the fleet operator, without calling on the powers of "exciting design" that can look so attractive on paper but which can be such a nightmare in practice.

Praise for the winner's spectacular economy came from all the jury".

"Minimum costs"

"In trucking there is little room for untried innovations, exciting but unproven gadgetry, far-out engineering that does not have a very sound logic behind its adoption.

The European trucker wants something that he can rely upon to do a good job of work; and to most truckers that means shifting the maximum amount of freight at the very lowest possible cost and to keep on doing that week in, week out, month after month.

That is exactly why the 280 has won such a good reputation in so short a time. It does just that".

Good driver environment affects business economics.

· A comfortable driver, is a safer, more icient driver

And a safer, more efficient driver means

, a more efficient, profitable company.

Here are some of the "TRUCK" jury comments.

"Cab appointments are possibly the best combinations of comfort and practicality that can be found in Europe today.

It is all based round a very strong steel shell which meets EEC standards as is.

Seating specification includes Isring-

hausen suspension seats for both crew members (marketed as the Derby in most places).

Certainly in many hundreds of kilometres that we've covered, the 280 has met every road and ride situation with commendable comfort.

Detail cab fittings include very well
made lockers for papers,
containers for hotdrink flasks, high
quality upholstery in
breathing vinyl fabric,
the whole being washable or even scrubbable
in the event of it getting dirty.

There is a great deal more detail to the M.A.N. 280s than we have been able to examine here.

The cab for example, tilts in seconds to a full 60°

The frames are all-bolted in accurately pre-drilled holes, which not only gives a very strong frame but makes chassis repairs a relatively simple task.

Brakes have generous lining areas, that produce long intervals between relines.

Under-cab insulation is thorough indeed, making the cab arguably the quietest around; it was certainly the quietest of the 17 trucks that we've put through our European test programme.

Standards of fit and finish are superb throughout and, above all, it's uncomplicated.

There is no risk of the maintenance staff having a heart attack merely at the sight of the chassis for it's significantly cleaner and tidier than most.

Consequently, the immediate success in the operating arenas of Europe is not luck -the 280 won its spurs in fair and open combat".

Buyers Queue Up-

"TRUCK" also interviewed Otto Voisard, your Transport Manager.

Managing Director of M.A.N., pictured here. In some respects, the ch
This is what he said: the M.A.N. 16.240 and 16.28

"Operators quickly found out that the 280 was not only the most economic M.A.N." they had ever encountered, but also more economical than virtually any other truck in the 36 to 38 tonne field.

Operational reliability also proved to be very good.

Thus, with low running costs, high utilisation, the annual tonne kilometres available were higher by an unusually big margin.

And, on top of all that, unit cost was low

Buyers continue to queue up.

Like it or not, trucks still have to be taken into towns and it's up to us, the truck makers, to ensure that trucks cause the minimum disruption to normal life.

The in-line

turbo engine is a good tool with which to do this.

We can tune it to optimum output and noise and emission suppression relatively

Coupled with that the provision of a very flexible transmission enables the driver to use his truck in the best possible way".

Parts M.A.N.made.

Practically every part in an M.A.N. truck we make ourselves.

From the axles, almost down to the last nut and bolt.

And we have more than 50 years' experience in manufacturing automotive diesel engines with direct fuel injection.

M.A.N. and Volkswagen.
And now M.A.N. has joined forces with Volkswagen.

To give you an unbeatable range of

It's probably the greatest thing to happen to transport since the invention of.

Which, by the way we invented.

16.240 or 16.280? Talk to our Transport Manager.

In some respects, the choice between the M.A.N. 16.240 and 16.280 Artics is a difficult one

These are both superb machines, but each is ideal for different jobs.

So consult your Transport Manager.
He'll be able to advise which is best for your company's operations.

He'll know that the unmatchable M.A.N. cab is standard on all vehicles in our range, to give the best driver environment in Europe.

The choice for him will be between the naturally aspirated 16.240 with its legendary reliability and lack of downtime and the turbo-charged 16.280 which gives that extra power for those long arduous hauls.

And since the "TRUCK" test we've actually improved our 16.280.

The gear shift is on the deck, not on the steering column.

And we've gone over the cab with a fine tooth-comb to make it even more comfortable.

Other models in the range have also

received accolades from "TRUCK" magazine.
For example, the 30.240:... "an
unusually quiet and refined big tipper.

Laden ride was first class, and even when pulling hard the engine was barely audible."

MEMO

FROM

TO

To say an M.A.N. truck is a good investment for your company is an understatement.

So do make sure you talk to your

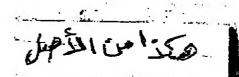
Transport Manager.
Or drop him a line on the above memo — and why not send the ad?
But do it now.

Before you lose another 1/4p.





M.A.N. VW. Truck & Bus Ltd, 361-365 Chiswick High Road, London W44HS. Telephone: 01-995-3131



Top level UK mission set for Cuba trade visit

MR. CECIL PARKINSON, the increase trade with Cuba. It is munity's practice of subsidised by the USSR. Cuba's own expected that he will lead a beet sugar exports, which have exploration efforts, some of top-level mission to Havana seriously bitten into Cuba's own which have been carried out in export markets.

The subsidised competition Remains have yielded little The British move, which has "This subsidised competition Romanians, have yielded little, been welcomed by Cuba, is part is a very ugly form of competibut the Cuban leadership is far of a demonstration by the tion," one senio Thatcher Government that it is said yesterday.

British oil expertise.
Britain already has a healthy positive trade balance with

Cuba: British imports from the island last year, including £1.8m worth of sugar and £2.6m worth of tobacco, totalled £7.9m. Exports, on the other hand,

sent foreign exchange difficulties

Cuba produces a small tourist centre of the Caribbean brought on by the low price of amount of heavy crude oil, but and attracted large numbers of sugar, the biggest export item.

tion," one senior Cuban official trade wherever and whenever the protests about subsi-sharing options with British or dised competition expressed by the Group of 77 developing technology.

British oil expertise.

Cuba has repeated to British consider a number of profit-the protests about subsi-sharing options with British or other Western suppliers of the Group of 77 developing technology.

Despite disappointments with

express great interest in importing British technology and is British interest so far has been

Cuba has complained to a tiny percentage of its con-Trade Minister, has taken the Britain and other EEC countries sumption which, in the main, is lead in a big new push to about the European Com-supplied at concessionary rates

from giving up hope of making a major find. Cuba is willing to Cuba has repeated to Britain consider a number of profit

Despite disappointments with on Trade and Development.
which finished in Manila earlier

Despite disappointments with
the Franco-Cuban Club Medithis month.

Despite difficulties in bilateral Cuba is seeking to interest trade Cuba is continuing to British companies in joint venvenicies.

Dritish companies in the oil inaugurating four new hotels industry about possible joint this year and is building four increased trade is Cuba's present foreign exchange difficulties. slow to materialise. Cuba is

Multinational code re-endorsed

OECD member countries yester- OECD committee. day called upon multinational companies to refrain from try- states that, in the context of ing to influence the settlement bona fide negotiations with of labour disputes by the threat employees on conditions of of transferring their operations employment, multinational comto another country.

This recommendation was the only major amendment made to the OECD guidelines for multi-national enterprises and the declaration on national treutment for companies under foreign control and inter- order to influence negotiations national investment incentives or to hinder workers' rights to and disincentives first adopted organise themselves. in June 1976.

Ministers re-endorsed the national guidelines and approved the that the 1976 guidelines offered ments on their experience with

The new recommendation

panies should not threaten to transfer the whole or part of an operating unit from the country concerned. Nor should they transfer

branches in other countries, in

conclusions of a report on the an efficient and realistic frame- the guidelines.

MINISTERS FROM the 24 subject drawn up by a special work for the solution of problems which had arisen from the operations of multinational com-

> Member countries had indicated that htere was a general nationals to observe the guidelines, though they were not legally enforceable. Even so. more time and continued efforts were needed for the guidelines employees from companies' to become more widely known and part of day-to-day management practice.

Multinational companies are recommended to state publicly, The report drawn up by the preferably in their annual After reviewing the en OECD Committee on Inter-reports, their acceptance of the perience of the last three years, national Investment and Multi-guidelines. Their annual reports Enterprises stressed should also contrib brief state-

Meat sales lead NZ exports surge

BY DAI HAYWARD IN WELLINGTON

IMPROVED WORLD prices for meat and wool boosted New an increase of NZ\$ 181m, which Zealand's trade balance by resulted in a trade surplus of NZS 364m (£183m) in the year NZS 686m (£346m). ended April, 1979.

Exports totalled NZS 3.9bn. Meat export earnings were up from NZ\$ 902m to NZ\$ 1.12bn. Wool receipts rose by NZ\$ 110m. but export earnings from butter which was an increase of cent invisible payments were were down slightly, and cheese NZS 116m on 1973. The value up by 2n per cent - parily due and milk powder only just held of New Zealand's manufactured to higher debt servicing costs their own.

Imports totalled NZ\$ 3,25hn. The growing importance of

manufacturing industries is shown by the NZ\$ 626m earned visible trade surplus.

However New Zealand's invisible transactions are still placing a massive drain on the economy. In the year under review the country had an invisible deficit of NZS 1.09bn. which more than wiped out the from manufactured emports, invisible receipts rose by 12 per

British companies in bid for **Philippines** copper deal

By Daniel Nelson in Manila TWO BRITISH companies-Davy International and Sel-trust Engineering—have com-bined forces with Ovto Kumpu of Finland in a bid to win a turnkey contract for the construction of a copper smelter in the Philippines expected to cost about \$250m. The UK companies originally intended to bid separately.

In a separate move, Lurgi is understood to be dropping out of the running, leaving Sibetra, SNC of Canada, Parsons Engineering, and Maru-

The companies were invited to submit three designs covering annual capacity ranging from 84,000 metric tons to 138,000 metric tons.

Bids will open on August 15 and be evaluated by Philippines Associated Smelting and Refining Corporation (PASAR), which will oversee the project. PASAR is 49 per cent government-owned, with five major Philippine copper producers holding the remain-ing 51 per cent. All PASAR's preliminary engineering studies were on the basis of the Autokupu process,

Power for the project, to be sited in Leyte, east-central Philippines, will be provided by a planned geothermal plant. In addition, one of two harge-mounted diesel plants being procured with a Japanese loan would be sited by the smelter on a stand-by basis.

The Philippines produced 68,425 metric tons of copper in the first quarter of this year, and the Bureau of Mines Projects 10 per cent average annual growth of production until 1983.

More talks on Chinese oil

TOKYO — China and Japan have agreed to resume talks on the proposed joint develop-ment of offshore oil reserves in Pohai Bay, north China, Japanese Trade Ministry officials said yesterday.

An agreement to resume negotiations soon in Peking was reached between visiting Chinese deputy Premier Kang Shi-en and Mr. Masumi Esaki, Japan's Minister for International Trade and Industry, the officials added.

Japan has proposed supply-ing about \$2bn worth of machinery, materials and services for the project, receiving crude oil in return.

Japan dominates thriving market for small tractors in Ireland

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

itself in the fast growing world manufacturers through what the market for tractors of 100 market for small tractors have come to be known as OEM horse power and over while the largely because its machinery (original equipment manufacexporters spotted a trend that the U.S. tractor industry missed towards the end of the 1980s.

The trend was the emergence of a thriving second hand behind the company's recent market in under 40 hp tractors diversification moves it may be for use by "Sunday farmers" too late for Europe or the U.S. or by schools, hotels and other to start competing with Japan institutions for grass cutting.

(because big tractors were more profitable and were what the increasing highly mechanised largest of its kind in the world farming industry was demand- and has startlingly high producing). Japan filled the gap and now has the lion's share of a 450 people turns out 5,000 market which is estimated at over 100,000 units per year. Western competitor would need to 2000 to 20 Kubota, which was the first

company to get into the small tractor business, makes 60,000 small tractors a year at lis highly automated Tsukuba plant plus another 40.000 (large and small) elsewhere. It exports about one-third of its output. Four other Japanese companies Yanmar, Shikawajima-Shibaura export about as many again,

small tractors, because The U.S. tractor industry had Japanese makers have achieved stopped making such machines economies of scale which cannot Kubota's Tsukuba plant is the

> tivity levels (a labour force of to produce at least 50,000 tractors a year to enjoy similar economies, Mr. Egusa thinks, and the market for the time being would seem unlikely to justify investment in a plant of

this size. Mr. Egusa says Japan's success with smaller tractors has though so far exclusively under industry) since the U.S. still exports to Britain.

JAPAN HAS made a corner for the labels of big U.S. tractor enjoys undisputed supremacy in itself in the fast growing world manufacturers through what the market for tractors of 100 UK leads in the middle range of 40 to 100 horse power.

Japanese tractor companies According to Mr. Seiichi make tractors for sale on Egusa, the export manager of Kubota and one of the brains Japan's own domestic market, and now claim to have won behind the company's recent about 30 per cent of it away from imported brands. If they are to win a larger share of the home market, the Japanese manufacturers should logically be starting to think about exports since only by exporting competitive edge they will need to succeed at home. Mr. Egusa admits this, but is reticent on the question of when exports of

large machines will begin. Kubota sells abroad through the overseas branches of Marubeni Corporation (a major general trading company to which it is related through joint membership of the Fuyo commercial and industrial group or (in major markets) through sales companies which are jointly capitalised between itself and Marubeni.

Toho sets up plant

By Frank Gray

TOHO IRELAND, a subsidiary of Unisef, the Japanese electronics concern is to set up a f6m manufacturing plant in Dublin in partnership with Ireland's Staterun Irish Development Authority.

Mr. Seamus Cashman, Toho's managing director and a former North American director of the IDA, said the IDA will hold 25 per cent interest in the new company, with the majority interest being held by Unisef, the trading arm of Toho Denki of Tokyo.

The new plant, the first such European venture by the company, is to commence produc-tion of tape decks, tuners and anticipating achievement of annual sales of between £30m and £35m in its first five years.

It plans eventually to produce four-band stereophonic radios and casette tape recorders for car and home use.

From its North Dublin base. where it will eventually employ about 650 workers, it will serve the European market. The company will also provide sup-

CHINESE TEXTILE INDUSTRY

Hong Kong cautious on joint ventures

'Shop window' site bought

the EEC and the U.S. wait nervously to see what sorts of deals southern China-their Governments will bring But, although back from quota talks with China, a somewhat more relaxed view of the likely problems and opportunities is evidently being taken in Hong Kong — the tex-tile trader which, in theory, stands to gain or lose most from any major Chinese expansion.

Already the world's biggest clothing exporter, with 90 per cent of output going overseas. Hong Kong clearly has to look over its shoulder at the emergence of a possible major new supplier such as China. At the same time it has the exper-tise which China will need if it s going to break into world markets, while China has an abun-dance of land, labour, and water all of which are in short sugply in the Colony itself.

With these attractions available, and China now welcoming foreign participation in its development projects, it bardly surprising that a number of joint-ventures in the textile and clothing fields have already been established. Although number are hard to come by, it is known that at least one knitting joint-venture has been established by Macao, and per-haps 39 Hong Kong-backed gar-

links with their Chinese come for expanding China's textile patriots.

CHINA Resources Company,

which earries on a number of

trading and commercial activities in Hong Kong on

China's behalf is to undertake

a major property development here including an exhibition

There is speculation that

the centre will serve as a shop window for China's products

to help relieve growing pres-

sure on the bi-annual Canton Fair in China. Hotel accom-

centre.

Peking-controlled concern

BY ANTHONY ROWLEY IN HONG KONG

WHIE THE textile industries of ments operations have been bow increasingly concentrated also point out that the terms on started across the border in on high quality, sophisticated southern China.

But, although the process The comprehensive trade reshas started, there is fairly trictions on textile exports are general agreement among tex-fone important reason why tile industrialists, bankers and Hong Kong groups are unlikely other observers in Hong Kong, to rush across the border. Both that it could be some time the EEC and the U.S. are before any but a tiny proportion anxious to obtain tight quota of the Colony's textile and restraints on Chinese exports, clothing companies have forged, and this will limit the potential

modation proved gressly

inackquate at the most recent

fair because of the flood of

businessmen wanting to do business with China.

has acquired a 6,000 square

metre (around 65,000 so ft)

site on the Wanchai water-

front on Houg Kong island by

private treaty sale by the

Rong Kong Government. The price paid for the site was

EK\$300m (£28m), a Government spokesman said.

China Resources Company

industry. China will not, as a Nor is it expected that Ching result, be in a position to will for a long time pose a supplement Hong Kong's own strong threat to Hong Kong's quota levels.

own textile and clothing sector, Hong Kong manufacturers

which participation is being invited are not exactly weighted China's idea is that the value of capital invested in joint ventures would be repaid with goods, less commission, with the

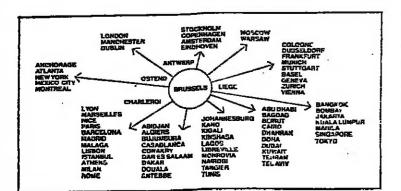
equipment passing into complete Chinese ownership after a period of 5-7 years There is little incentive,

therefore, to set up capital intensive operations, such as spinning and weaving, across the border, even though these are becoming much less economic in Hong Kong because of competition from other low-cost producers in Asia and their heavy use of Hong Kong's most precious commodity, land.

In the more labour-intensive garment field Hong Kong manufacturers are doubtful if China's infrastructure will match their demands for quick and reliable deliveries—vital in a fashion industry which has to meet seasonal demands and there is concern, foo, about the quality of labour. Although the labour would be cheup,, it would also have to be trained and motivated to reach the quality standards Hong Kong must maintain to hold its markets.

Sabena's proposal

An unhurried airport at the centre of a busy international network



A privileged location

Sprawling, overcrowded airports are all too common in Europe. Brussels Airport is a welcome exception. Although centre of a vast international network, it maintains a human dimension by grouping all services within a single terminal, thereby eliminating bus transfers and long walks through endless corridors.

As the hub of Western Europe, Brussels Airport is geared to the needs of transit passengers, so crowds are

smaller, queues are shorter and baggage handling quick, reliable and effi-

The Sabena network

Founded in 1923, Sabena the Belgian airline was already operating regular flights to Central Africa as early as 1925. Today, Sabena carries over 2 million passengers annually to some 75 destinations in more than 50 countries around the globe. From the UK, Sabena offers you 99 passenger and 17

cargo flights per week from London and Manchester to Brussels, Antwerp, Liège, Charleroi and Ostend. Brussels is also directly accessible from Birmingham and Edinburgh without having to pass through London.

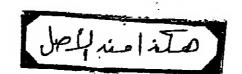
Manchester-Brussels

This year we are proud to celebrate the 30th anniversary of our first scheduled flight to Manchester. On June 15, 1947. a DC3 "00-AUV" touched down at precisely 12.54 p.m. bringing the first 13 businessmen by air from Brussels.

Today, Manchester is linked daily with Sabena's worldwide network.



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If your car can't manage over30mpg, it's time yout tried something different.

The big car has one big benefit. It cruises long distances quietly, quickly and comfortably.

It does however usually have one big problem. It gets very thirsty as it goes faster, and needs increasingly frequent stops for refreshment.

In these times of erratic fuel supplies at everincreasing prices, that's some problem. We'd like to suggest a solution.

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powerful, all of which, as you can see from our chart, cruise at well over 30 mpg.*

And while they are ideal for the long haul (a big 14.5 gallon fuel tank will take you a long, long way), the Rovers perform very creditably in the stop/start of urban motoring.

In these troubled times, shouldn't you try something different? Send the coupon below. You'll discover

just how competitive
Rover performance and
economy is, and
what a pleasure
it can be.

	*GOVERNMENT CERTIFIED FUEL CONSUMPT TESTED AT A CONSTANT 56 mph 190 k	ION FIGURES
•	ROVER 2300	36.8 mpg
	ROVER 2600	
	ROVER 3500	36.3 mpg
i	All figures quoted for 5-speed manual geach	rort

Complete Covernment Fuel Consumption Figures, Baker 5 speed manuals, 28th turban most sing 17 5 mpg (16) I have 400 km r. constant 5 implications for 5 mpg (200 km h) 5 a 8 mng (77) Bares, 100 km r constant 75 mph (201 km h) 5 I 0 mpg (94) Bares, 100 km r constant 5 mph (500 km r) 5 mpg (14) Bares, 100 km r constant 5 mph (500 km r) 5 mpg (14) Bares, 100 km r constant 75 mph (100 km r) 100 km r) 5 mpg (17) Bares, 100 km r constant 75 mph (100 km r) 100 km r) 100

Aveling Marshall closure expected

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

Marshall plant at Gainsborough by the autumn, with the loss of 763 jobs. The plant was acquired four years ago under the expansion strategy of BL's special products division.

Union officials have told the workforce at Gainsborough that the company will recommend the closure to BL, owner of Aveling Barford, at the next monthly meeting of the BL board. The officials, who met Mr. David Andrews. BL vicechairman, this week, said yesterday that they were prepar-ing to fight the closure.

The news comes only a week after Prestcold, also owned by BL, announced that it would be closing its two factories in Scotland with the loss of about 900

The future of other com-

AVELING BARFORD is expected to close its Aveling sale earlier this year, will demarshall plant at Gainsborough by the autumn, with the loss pressed an interest in the group. These include Acrow, which owns Coles Cranes and Priestman.

Acrow is believed to be in-terested only in the Grantham plant of Aveling Barford, which s responsible for about twothirds of the group's £60m sales. Aveling Barford is under-stood to have lost £9m last year, the loss at Aveling Marshall, Gainsborough, being about £7m. The losses are blamed on competitive market conditions. BL paid £800,000 for Aveling

Marshall in August 1975 in a deal that was heralded by Mr. David Abell, then chairman of BL's special products, as a move that would save jobs and set the seal on BL's bid to become The future of other com- a major force in construction-panies in the Aveling Barford equipment.

The plant was ursently in need of renovation and modernisation, and BL set about implementing a £5m investment programme. At one point, about 1,000 people were employed at the plant, which is still probably the biggest employer in Gainsborough.

Aveling Marshall is the only remaining UK-owned manufac-turer of crawler tractors, a product which it had been intended to build up so that it could compete with the multi-

The remaining companies in the Aveling Barford group apart from Grantham are Goodwin Barsby and Barfords of Belton. BL hopes that these will now be sold separately, although the original intention, which had the tacit support of the previous Government, was that a single buyer would be found for the whole group.

More bankruptcies likely—Methven

Sir John also refused yester-

what the country can afford in

Creation of such a forum has

policies for pay reform drawn up

has also formed part of Con-

servative Party policy. But yesterday Sir John, who last

the Government might not want to go ahead with the plan.

Some Ministers, and a con-

siderable body of opinion within

the CBI, believe that a forum would inevitably lead to a formal

pay policy. Sir John said that the CBI still wanted a forum but

ways of starting a public dis-

cussion about economic choice.

for example, through Ministerial

Mr. Alan Devereux, chairman

of the CBI in Scotland, said

aid. On the eve of a visit to

Scotland today by Sir Keith Joseph, Industry Secretary, Mr.

Devereux said that the 1972

well and that changes should be

BRITISH-BORNEO PETROLEUM

SYNDICATE LIMITED

Extracts from the Statement of the Chairman,

Mr. Campbell Nelson, at the 65th Annual General

Meeting held in London on 14th June, 1979.

■ Net earnings for the year were £500,000 a record for the

Company. In addition Brupex, our Investment Trust Subsidiary
Company, had net gains, after taxation of £31,000 on realisation of

M Both the interim and proposed final dividends have been

increased to the maximum extent permitted by Government. I told

you last year that when the restraints of dividends are relaxed or removed it is the intention of your Directors to recommend a larger proportionate distribution of profits. In view of the Budget Statement we shall give effect to this Intention in our next interim dividend payable in December.

The Stock Exchange value of our listed investments at 31st March last was £11,726.000 showing an unrealised appreciation of £8,154.000, an improvement of £2,727,000 over the prior year.

■ The make-up of our listed investments at 31st March last, at their Stock Exchange values, was 85°, oil companies, 6°, industrials, 6°, gold mining and mining finance companies and 3°, preference

Our expenditure on Western Canadian oil and gas ventures

totalled £400,000 at the year end. The drilling to date has been

unsuccessful, but such ventures require perseverance and courage. We intend to continue cautiously and modestly keeping to our criteria of ventures giving promise of early payouts and attractive

Our listed oil company investments gave a star performance

for the year in Stock Exchange appreciation and increased income. We take a favourable view on these investments for further appreciation in value and large income both in the short and the

The oil industry is strong. There is an insatiable appetite for oil and gas despite the price increase. The world has to learn to use this all important source of energy more economically. The indications are that we shall see further price increases in the years

ahead over and above levels of inflation of currencies. This will lead to more sophisticated production methods for oil and gas

lead to more sophisticated production methods for oil and gas fields giving larger percentage recoveries of oil and gas in place. It will also facilitate the development of many new fields and prospects including tar sands and shales, some of which at present prices are either marginal prospects or uneconomic. There is a long life ahead for oil and gas as a leader of the energy business and, even after the peak of potential production is reached, as a long term major contributor to the world energy needs.

Tour company is in good shape to take advantage of investment opportunities as they occur and we expect to do well in the

Copies of the full Statement and the 1979 Report and Accounts are available from the Secretaries of the Company, 2 Broad Street Place, London EC2M 7EP.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London EC3V 3PB. Tel.: 01-623 6314.

Index Guide as at June 14, 1979

investments which have been placed to capital reserve.

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

WARNING that there will be risk, I believe it is the one which more bankruptcies" next win-businessmen will support." er if unious push for high wage laims in the wake of this cck's Budget was issued yestermy by Sir John Methven, orector-general of the Con-deration of British Industry.

diGiving his considered views m the Budget in London, he foknowledged that a pay freeze naght be necessary and said: ant is not going to be an easy iod." The next pay round ald be "extremely difficult." penespite these problems, the guneral enthusiasm among dinister, said he accepted that lyed has also forced \$\frac{\partial}{\partial}\$ in the Government wish.

lved has also forced Sir John trim the CBI's policies on vo fronts concerning taxation nd pay policy.

First he has dropped his opposition to VAT being raised above 10 per cent. Last month CBI still wanted a forum but Sir John told Sir Geoffrey Howe. recognised that there were other Chancellor of the Exchequer, that a rate such as 12} per cent would have serious consequences for industry.

Yesterday he did not feel able to complain about the higher 15 per cent figure now being yesterday that the Government introduced because of the asso-should not abandon its regional ciated cuts in direct taxation. He said that the Government

had made its own judgment about the balance to be struck between direct and indirect Industry Act had served Scotland taxation, "That judgment is not without risk but, despite the "approached with caution,

Air Ecosse wins route from BA

By Lynton McLain

BRITISH AIRWAYS has lost one of its prime routes in Scotland to the independent Air Ecosse, a charter line formed two years ago. The Civil Aviation Authority day to criticise the Government for not going ahead inunediately with the creation of an economic

has told British Airways its rights to operate the service forum to educate people about between Aberdeen, Wick and Shetlands is to withdrawn. been a cornerstone of the

The state-owned airline plans to appeal, but its chances of success must be slim, in view of the support for Air Ecosse.
The UK Atomic Energy Authority, the Highlands and Islands Develpment Board, the Highland Regional Council, Caithness District Council and the Caithness Air Services Action Group all protested about the standard of the British Airways service and backed the Air Ecosse backed

application. the British Airways service did not allow businesmen time for full day's work in north-east Scotland. Scientists at the Atomic Energy Authority's reactor at Dounreay found they often coud not reach the site from Wick Airport in time for

meetings.
British Airways will still be able to operate the direct service between Aberdeen and the Shetlands.

Air Ecosse is part of the Fairflight group of general aviasix Brazilian-made Bandeirante 18-seat twin-engined turboprop

The new service, which it may start later this summer, will offer three return flights a day between Aberdeen and Wick and one flight a day to the

NEB's £475,000 stake in microfiche

THE NATIONAL ENTERPRISE Board has bought a £475,000 stake in Microform Communications International, a small company which started two years ago to develop a portable microfiche reader.

The investment was agreed before the General Election. It consists of £310,000 for 28 per cent of the company's equity and £165,000 in cumulative redeemable preference shares. A further 44 per cent of the equity is held by Norton War-burg Investments.

Tyne Metro £50m dearer

TYNESIDE'S Metro passenger rapid transit system is now expected to cost £50m more than the £161m limit set two years ago by Mr. William Rodgers, the former Transport

The scheme is two years ehind schedule and is not expected to be complete until 1983-84.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967 MONUMENT PROMOTIONS LIMITED NOTICE IS HEREBY GIVEN, pursuant to section 283 of the Companies Act 1948 that a Meeting of the Creditors of the above-named Company will be held at the offices of LEONARD CURTIS & CO.

situated at Asset Landon WiA JBA of Italian at 124 Co., as 124 Co., as 124 Co. as 124 Co. as 124 Co. as 124 Co. as 125 Co

this 5th day of June 1979. By Order of the Board. L. P BROPHY, Director. THE COMPANIES ACTS 1948 TO 1967 OUTSAFE LIMITED

NOTICE 1S HEREBY GIVEN, pursuant to section 283 of the Companies Act 1948, that a Meating of the Creditors of the above-named Company will be held at the offices of LEONARO CURTIS & CO.

situated at
3/4 Bentinck Street.
London V/IA 3BA,
on Thursday, the 21st day of June, 1979,
at 3.00 o clock in the afternoon, for the
purpaces mentioned in sections 294
and 295 of the said Act
Dated this 6th day of June 1979.
B: Order of the Board,
A. R. PETERS, Orestor.

Joseph to use State industries' buying policy as stimulus

BY OUR INDUSTRIAL CORRESPONDENT

SIR KEITH JOSEPH, Industry Secretary, said yesterday that he plans to use the purchasing policies of the nationalised industries as a means of stimu-lating the performance of manufacturing industry and the quality of its products.

He told members of the Engineering Industries Associa-tion that he had been pleased tion that he had been pleased to find that in the Post Office, for example, "there is enormous scope for product innovation" as regards the Post Office itself and its suppliers.

"Sir William Barlow, the chairman, is a man with whom I am eager to work in increasoffice. I am looking forward to supporting him in all his

efforts.

Sir Keith pleased his audience, many from small engineering concerns, when he told them that companies such as their were often more innova-tive, and ejoyed better indus-trial relations, than the larger companies. He also told them: You are the bastions of

Conditions would be competitive, and the exchange rate compared with the would make life more difficult seas competitors."

for industry. "In fact, we shall insist on competition, but the Government will try to leave you with enough money to reward your efforts."

Earlier, Sir Keith had been told by Dr. Frank Jones, president of the association, that the higher cost of borrowing brought about by the increase in MLR would make it more difficult for the engineering industry to invest in more capital equipment.

The need for such investment

was emphasised by Dr. Jones, who quoted a survey carried out by the association among its members showing that the value of fixed assets per employee had been mostly falling below the rate of inflation in every year ince 1974. Dr. Jones said: "The main

task of the new Government is to produce an economic climate that makes it worthwhile spendmodern plant and machinery. "Our survey shows that our

employees are struggling to compete with far less than half the value of plant and machinery at their disposal, compared with their main over

Public expenditure cuts 'just a start'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

NO ONE SHOULD doubt the firmness of the Government's commitment to reduce public expenditure over the next few years, according to Sir Anthony Rawlinson, senior Treasury official responsible for public spending. Sir Anthony, a Second

Permanent Secretary, yesterday told the annual conference of the Chartered Institute of Public Finance and Accountancy at Eastbourne that the decisions announced concerning 1979-80 should be seen as " the Passengers complained that of spending plans." Sir Anthony emphasised the

new Government's "policy of sector.'

for in the original cash limits. with the "That may in itself be efficiency.

regrettable where the plans are good plans, but it may not be as regrettable as the financial consequences of going on with the plans unmodified.

"The amount, and the problems, vary from programme to programme, but in 1976-77, when prices moved ahead on average about 5 per cent more than had been provided for in the cash limits, this degree of absorbed by adjustment during the year of the programme concerned. What is required this year is likely to be somewhat more, but the political impetus is strong."

Sir Anthony also discussed using cash limits vigorously in the role of the Comptroller and managing and controlling public Auditor General and the expenditure. Outlining the Exchequer and Audit Depart-development of cash limits over ment, and the various suggesthe last few years, he said they tions by Commons committees responded to the need to plan, for a review of present practice for a review of present practice. and to keep to plan, a key A consultative document is element in financial and likely to be published setting counter-inflationary policy, the out the issues for discussion and cash expenditures of the public decision in Parliament. In particular, he said there

He recognised that the was much to be said for detersqueeze through cash limits mining the main issues definwould lead to modifications in itively through legislation. He

See thirt were said during May volume plans as a result of in- urged that the development of flation being faster than allowed accountability should be linked development

German output 12 times London's, says Times

BY MAX WILKINSON

THE PRODUCTIVITY German typesetters who pro-duced one issue of The Times He says: "Put another way, was nearly 12 times greater than that of their counterparts in Britain, claims Mr. Michael Mander, deputy chief executive. The Times, shut since Novem-

furt in May, but was thwarted by union opposition and pickets. The venture was abandoned after only a limited number of copies of a 24-page issue had been printed. The type for the edition was set on computercontrolled equipment similar to

copy of the paper printed is before July 4.

of about 0.175p in London comfor every £1,000 paid in salaries in Frankfurt, we would have to pay £2,868 in Grays Inn Road."

He adds that if the differential in wage costs is added to ber 30, attempted to produce a the extra productivity from com-Continental edition in Frank-puter typesetting equipment instead of traditional hot metal machines, productivity in the typesetting department is 11.9 better in Frankfurt than in London. After a meeting between

that which The Times seeks to Denis Hamilton, the chairman introduce into its Grays Inn of Times Newspapers, the management has requested a In an article in Campaign further meeting. The chapels relax part of the regulations and today Mr. Mander says the labour cost for each page of each arrange another joint meeting named retailers and with re-

Merchant fleet still declining

BRITAIN'S merchant fleet continued to decline sharply dur-ing April and has suffered a 20 per cent fall in carrying capacity in the last three years.

According to figures from the General Council of British Shipping yesterday the fleet suffered a net loss of 40 ships totalling 2.75m deadweight tons in April, taking the reduction so far this year to 4.5m dwt. As a result, the UK owned and

registered fleet fell by the end

of April to under 40m dwt. compared with a peak in 1975 of Mr. David Ropner, president of the General Council said the decline "had serious implications for the national economy and in particular for our long-

term balance of payments. Britain's sea transport account slipped into a £300m deficit last year; the first deficit since 1974.

Mr. Ropner said the industry was making renewed efforts to improve its efficiency in consultation with trade unions but there was no easy formula for stopping the decline.

The decline has also had a serious effect on employment in the industry, although the biggest burden has been carried by non-British seamen employed on UK-flag ships.

Officers

Since the end of 1977, there has been a 5 per cent reduction in the number of British officers to an end-April figure of 36,000 and a fractional reduction in the number of British ratings to

The number of non-British ratings has fallen in the same period by 25 per cent to 11,500. Although these trends are a great worry to the industry, not all of the ships moving from the British flag are going out of British control. Some owners are changing to lower cost flags of

convenience in an attempt to recover their competitive edge. It is also clear, with hindsight, that many British owners, under financial pressure, sold their ships at the worst possible period, during the first half of last year.

Since then, the value of most second-hand vessels has increased sharply, some more than doubling. Lambert Brothers, the London

shipbroker, says in its latest market report that if the 54 British bulk carriers sold last year were still under British flag today. British owners' books would be showing an extra

£110m of assets.

The Cunard Champion, for example, sold by Cunard a year ago for \$4.42m, has recently been

flag ships were sold during May. Some of these are forced sales due to financial pressures, others are part of planned modernisa-

Bargain offers restriction to be eased

Financial Times Reporter

MRS. SALLY OPPENHEIM. Minister for Consumer Affairs, has agreed to ease restrictions, due on July 2, to deal with

bargain " offers. The original proposals for canning "mythical bargain banning "mythical bargain offers," outlined by Mr. Roy Hattersley, Labour's Prices Secretary, in March, included provisions outlawing retailers and advertisers from making price comparisons with other Times union representatives retailers and, in many instances, (fathers of chapels) and Sir with recommended retail prices.

Following consultations with retailers and manufacturers-Mrs. Oppenheim has agreed to commended or suggested prices

Source: Bank of England

Sterling M3 rises by £630m

BY PETER RIDDELL, ECONOMICS CORRESPONDENT STERLING M3, the broadly-defined money

supply, rose by £630m, or 1.2 per cent, in the month to May 16, on a seasonally adjusted hasis. This brings the increase since mid-October to about 71 per cent, or some 13 per cent at annual rate. ML, the narrowly-defined money supply

including cash and bank current accounts, was unchanged after a very sharp rise in the previous month. Domestic credit, the money supply after deducting external influences, expanded by \$945m in the month to mid-May. This means that the total expansion of domestic eredit in the past six months has The main boost last month came from a

further very strong rise in bank lending in sterling to the private sector, up by £870m.

GROWTH OF MONETARY AGGREGATES (£m) Money Stock M3 Money Stock M1 Domestic credit expansion June 21 637 507 517 July 19 935 -670 1.005 428 654 122 -225-0.5 -163 317 -388 August 16 -487 -190 Sept. 20 478 659 249 235 · 1.0 365 343 743 0.8 0.7 496 287 415 397 587 254 950 269 5 443 474 150 1,241 1,092 789 7,002 1,215 Jan. 17 203 -- 548 Feb. 21 0.9 -34530 7,213 385 -222 222 1,097 Mar. 21 -263 303 -346-- 387 -0.2 427 760 -3953.0 1_598 731 1.4 543 528 7.760 846 1,517 389 629 1.2 672 269 515 945 -- 189 holdings of con

Survey forecasts export recovery

BY DAYID FREUD

UK EXPORTS are likely to recover in the second half of the year, according to a survey the Department of Trade.

But the results suggest that the exports lost in the first part of the year are unlikely to be

This means that the underlying rate of expansion is expected to be in line with the poor performance of last year. when the volume of exports grew by 31 per cent.

This means that the UK's cover in the second half of share of world trade will decrease for the second conding exporters conducted by e Department of Trade.

But the results suggest that exports lost in the first part the year are unlikely to be covered.

This means that the underprevious half-year. The total should rise by between 5 and 6 per cent in the second half. The estimates, derived from the Department's April survey

grew by 3½ per cent.

Because of the drop in the first quarter—due to industrial disruption and difficulties in Iran and Nigeria—the overall volume of exports this year is expected to be only 2 per cent above 1978.

the Department's April 'survey of export prospects, do not price increases or the president formation of or export the president formation of the president formation. The president formation of the price increases or the president formation of the price increases or the president formation of the president formation of the price increases or the president formation of the president formation of

above 1978.

The growth is well down on cast ean annual rate of increase the expected levels of expansion of world trade, which most forecasters believe will stay around last year's level of 5 cent in the first quarter and per cent.

Councils 'need £540m more for pay rises'

There are growing fears that an extra £540m." coupled with local government authorities could meet this wage settlements, will force deficit from balances is uncersome local authorities to levy tain. Following the last made additional rates this way. Government expenditure cuts. additional rates this year.

Mr. Taylor, addressing the annual conference of the Chartered Institute of Public to keep rate rises down — it is Finance and Accountancy in thought that about 20 per cent Eastbourne, said that some local of the local authorities started authorities would be able to the financial year with balances draw on balances but warned totalling less than 3 per cent of authorities would be able to draw on balances but warned that those local authorities without balances "will be hit

very hard."
His comments follow Government's decision to cut £300m off the extra amount local authorities expected to receive through the rate support grant this year to cover inflation. Mr. Michael Heseltine, Environment Secretary, has told the association that he expects local authorities to make actual savings rather than simply raid balances.

FURTHER PAY settlements in increases of about £1.46bn this leave local authorities short of limit figure on rate support grant had been based on a figure man of the Association of Metropolitan Authorities, said yesterday.

> port grant settlement in November — when local authorities were urged to draw on balances their planned current expenditure. It is these local authorities which will be most under

pressure to raise the rates again Mr. Allan Roberts, Labour MP for Bootle, in a Commons motion signed by more than 60 Labour MPs, called on local authorities to increase rates immediately rather than cut services.

Mr. Roberts said councils should not wait until next year before asking ratepayers to "pick up the bill for the most Mr. Taylor said that it was "pick up the bill for the most clear that local authorities Right-wing government since would at best face pay and price the war."

NatWest Registrars Department

National Westminster Bank Limited has been appointed Registrar of

'W'RIBBONS HOLDINGS LIMITED

All documents for registration and correspondence should in future be sent to:

National Westminster Bank Limited Registrar's Department PO Box No 82 37 Broad Street Bristol BS99 7NH

Telephone Bristol (STD Code 0272) Register enquiries 290711 Other matters 297144

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Notice is hereby given of the appointment of Lloyds Bank Limited as Registran

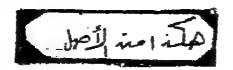
All documents for registration and correspondence should in future be sent to the address below:

> G.T. EVANS. Secretary



Lloyds Bank Limited, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA. Telephone: Worthing 502541 (STD code 0903)

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We profit from a product that's made for all the energy alternatives.



Nearly half the world's manufactured goods are moved by battery powered fork lift trucks. Saving millions of barrels of oil. And keeping the air clean. Chloride make more fork lift truck batteries

than anyone else in the world.

Hospital operating theatres, computers, air traffic control systems all depend on a power supply that must never ever fail.

Chloride batteries and systems stand by to provide emergency power in this vital and growing market.

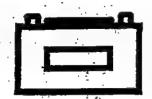




Batteries could power city-centre transport today. Chloride battery powered vehicles are proving in cities in Britain, America and Australia that pollution-free battery power is a practical Submarines need a very special kind of power. To drive the submarine itself. To run the life support systems. Even to drive the torpedoes.

Submarines are just one of many different defence applications for batteries. And Chloride are major suppliers to Britain's Armed Forces.





There are nearly 20 million cars and other motor vehicles on Britain's roads. Each one has a battery. And Chloride make more than any other manufacturer.

Batteries have an important role to play in the vast and growing leisure business. Over 5 million batteries are used in this industry in the USA alone. Powering anything from golf carts to lawnmowers.





In mains power failure your telephone keeps working. It is powered by batteries. In Britain 60% of these batteries are made by Chloride.

Tough new laws are creating a vast market for emergency lighting systems for public buildings all over the world

Chloride batteries and systems are world market leaders in this vital field.



Just some of the things Chloride batteries are doing today. And not Britain. As world rechargeable battery leaders, our market is a world met sell into no fewer than 125 different countries, with manufacturing bases the United States, India, South Africa, Australia and 28 other countries.

There's little doubt that Chloride lead the world in research in techniques to store electrical energy. But it's important to recognise improvements that have been made to existing batteries.

Today's car battery, for example, is five times more efficient that back in the early days of motoring.

All this has helped our company to a best ever pre-tax profit co

So much for our success to date.

Chloride's business is well and truly in the growth sector of the energy industry. As the world searches for alternatives to oil and gas, the future for batteries

becomes almost limitless.

Because the only way to develop the new energy sources to their full potential is to turn them into electricity.

More electricity means more things for batteries to do.

And many many more batteries. Use electric-save oil.

THIRD PARTY SALES.	£m	1977-78 1 306-0	346.0	up 13%
PROFIT BEFORE TAX	£m	25·1	29.0	up 16%
PROFIT ATTRIBUTABLE	£m	13-0	17-3	
EARNINGS PER SHARE (aft	ertax)	10-3p	13-8p	



a more conventional sail has

Opening the conference, the Duke of Edinburgh said the symposium could do more than

"It is a signal to those with imagination and enterprise that ideas are wanted and that their ideas will be taken seriously."

He also sounded a warning.

The successful development of wind-driven ships, or ships driven by other sources of power, will depend on the

support and encouragement made available to research pro-

jects in the future and by the judgment exercised in their control and evaluation."

Airfix in

venture

equipment

AIRFIX PRODUCTS, known

mainly for its assembly kits of

model aircraft and vehicles, is

moving into the sports equip-ment business with a range of

popular, · lightweight goods, aimed initially at the family summer holiday trade.

The range, labelled 'Sports-

time," comprises seven sets of equipment, including tennis

and badminton racquets, cricket

bats and croquet mallets, and

Mr. John Abbott, managing

director of Airix Products, said yesterday he hoped wholesale returns this summer would reach £im. Outlets included select stores belonging to Woolworth W H Smith and Rosts

worth, W. H. Smith and Boots.

Sports equipment was a

rapidly expanding market. with UK sales expected to be £220m by 1982, double the 1977 level. World demand for toy assembly kits had fallen by 15 per cent over the past five years, although Alrika Products had facented its market share here.

increased its market share, he

Last year, the seven com-panies of the Airfix Group, including Meccano-Dinky and

concerns in the U.S. and West

Germany, had a turnover of £38m. Airfix Products accounted for 35 per cent of

their respective accessories. Most of the equipment is made

in the Far East.

Williams & Glyn's

Interest Rate Changes

Williams & Glyn's Bank announces that with effect from 15th June itsBaseRate for advances is increased from 12% to 14% perannum.

Interest on deposits at 7 days' notice is increased from 91/2% to 111/2% per annum.

WILLIAMS & GLYN'S BANKLTD 💥

Hill Samuel Base Rate

with effect from the close of business on Friday, June 15, 1979, their Base Rate for lending will be increased from 12 per cent to 14 per cent per annum.

Interest payable on the Bank's Demand Deposit Accounts will be at the rate of 111 per cent per annum.

Hill Samuel & Co. Limited

100 Wood Street London EC2P 2AJ Telephone: 01-628 8011

Dearer home | Sailing ships may make comeback loans hint

HOME LOANS could rise before HOME LOANS could rise before There appears, however, to be the end of the summer if a difference of opinion among interest rates stay at their cursome leading building society
rent level, warned Mr. Gerald
Aspell, chairman of the
Leicester Building Society last
rise in interest rates.

Mr. Aspell, speaking to businessmen in Leicester, also although about the level of a year ago, is — because of house price rises as wage increases and Budget tax cuts added to disposable income. He said: "It is early days to be precise, but if MLR stays at its new level for any length of time, we shall need to increase interest rates before the end of the summer."

The societies are lending about £700m a month which, although about the level of a year ago, is — because of house price rises — financing 17 per cent fewer transactions. But the societies have recently proved adept at absorbing fluctuations in MLR and have maintained their rates at the present level since November.

Net receipts Into building

After this week's 2 per cent rise in MLR, the three-monthly 1.4 per cent.

The three-monthly figure is that this pressure will increase an important benchmark for as disposable incomes rise and the societies, which regard with the prospect of having to local authorities as one of their provide finance for council principal competitors for funds.

Net receipts Into building societies—now ruturing at about

local authority loan rate increased to 132 per cent. This cuts in MLR. In spite of this, receipts are society grossed up share rate of still well below the level needed to the cuts of the spite of this country.

Imperial cigarettes up 6p on Monday

IMPERIAL TOBACCO—part of the imperial Group—yesterday by the Budget incerase in the announced details of post VAT rate from 8 to 15 per cent. Budget price increases. Its and about 2p to the "ad cigarette brands will be raised valorem" element in tobacco by 6p for 20, as foreshadowed by Sir Geoffrey Howe, Chancellor of the Exchequer, on Tuesday. The new recommended retail prices will apply to the company's goods despatched to subject to "ad valorem." duty the trade from next Monday, but the increase in VAT will bring the following changes in

Embassy No. 1 cigarettes, Imperial's recommended rote: I
Embassy filter, Players No. 6
king size and John Player king per 25 grams to 864p; St. Bruca size will be 63p for 20. Lambert Flake—up 5p to 78p; and and Butler king size 61p, Digger Flake—up 41p to 721p.

Players No. 10, 57p, and Woodbine 64p.

On average about 4p of the cigar field. Cratcila Panatellas will rise by 11p a

blne 64p. Panatellas will On average, about 4p of the cigar to 231p.

bring the following changes in Embassy No. 1 cigarettes, Imperial's recommended retril

Ruling on car VAT

CARS PAID for in full before. The position was made clear Monday will attract VAT at only yesterday by the Customs and 8 per cent, even if customers do Excise. " If a customer pays in not take immediate delivery. This is likely to create a sales full and is issued with a receipt

then a tax point is created, " a spokesman stated. However, dealers will be able to sell only those cars which have already been ordered from the factory and allocated to them. Hire purchase deals will be at the new 15 per cent rate.

of Wales told the conference that in theory a 15,000 dwt sailing vessel could compete Pedal flight seen as

were suggested yesterday as possible ways of aiding the return of commercial sailing

ships.
Soaring fuel costs and im-

proved understanding of sail aerodynamics prompted the ideas, which were debated at a Department of Trade and

industry conference in London.

.Government .. funds have already been used to develop

new sport' By Lynton McLain

clipper.

NEW KNOWLEDGE of aerodynamics and aircraft weight reduction has come out of research which led to the first man-powered flight across the Channel, Dr. Paul MacCready the designer of the prize - winning Gossamer Albatross suid yesterday.

Dr. BlacCready, saw "no real practical applications for manpowered flight." - But It had potential as a sport. "In five years there will be many hundreds, if not thousands of man-powered aircraft." Kits. be said, would sell for about

The Gossamer Albatross hed cost 2800 lu materials. But the whole project had cost Du Pont, the chemical sponsors, about

Turbu!ence

Mr. Bryan Allen, the 26rear-old Californian pilot who pecalice ten it above the waves, said he had nearly given up four times. Highwaves in mid-Channel created turbulance and at one point he dropped to within six inches of the water.

He ran out of drink on the last stretch, his right callsuffered from cramp and a shark appeared as the aircraft approached the French coast. Had the pilet seen it, he probably would have speeded up, said Dr. MacCready.

The conference also heard that designers were evaluating "Venetian blind" horizontal strip sails for possible use on cargo ships. These would be rigid, like the sails of the world be rigid, like the sails of the world be rigid. the same crew costs. The capital costs and insurance would need a wind turbine, though the Industry Department last year refused to fund a hill-scale design for a British five-masted. to be lower for the sailing Last summer, the Industry Department's Ship and Marine Technology -Requirements 12,000 - deadweight - ton cargo Technology -Requirements Board, which assesses the speed record breaking Clifton A team from the University Flasher, built six years ago. At the moment, designers have potential of research projects, the moment, designers have funded a £5,000 feasibility study found no way of stopping these

Industrial accidents

cause more deaths

KTIPS, whirling sails and the with a "slow-steaming, equiva-by the design company. Wind-development of rigid-sail boats lent-size motor ship." rose Ships of Southampton. boat is in port.

Such as the Cliffon Flasher In practice however the sail. Captain Willoughby. The conference Jearned that

BY OUR LABOUR STAFF

THE NUMBER of workers statutory duty to report killed in industrial accidents audients. last year was 651, with a further 340,294 injured, according to provisional figures released yesterday by the Health and Safety Executive.

ing vessel would have to operate in competition with larger power vessels. The economies of scale "would render the salling vessels uneconomic."

At high fuel prices, the sail-ing cargo ship could offer-freight rates up to 18 per cent less than those of an equivalent

motor ship. But this would depend on both vessels having

The 1978 figures include, for the first time, accidents reported among 7-8m employees who were brought within the scope of safety legislation last year by the Health and Safety at Work Act 1974.

In this group 70 deaths were reported last year, with 16,800 other accidents, but the executive said yesterday it was un-sure how representative these figures were, as employers of this group currently have no

Captain Mike Willoughby,

representing Windrose, said its sailing crew costs were about £100,000 a year, compared with £67,000 for a motor ship. The

food bill was estimated at £8,000 a year, double that of an equi-

valent motor vessel. But the company believed that total potential savings, based on its early designs and 1977 oil costs.

could be £400,000 a year.

Excluding the new group to allow comparison with previous figures, there were 551 deaths and more than 324,200 injuries last year. Figures for 1977 were 514 deaths and 325,700 injuries. but the executive said yesterday the increase in the number of deaths was within the range of

nearly fluctuations.

Deaths in mining and quarrying rose from 54 to 84 and in construction from 180 to 144.

Deaths in manufacturing industry fell alightly from 179 to 175.

Health and safety inspectors and other agencies made 1,813 prosecutions and 15.621 enforcement notices were issued.

Working party urges planning inquiry change

THE GOVERNMENT was urged yesterday to consider the need for a new form of planning inquiry for major projects, such as the building of a new type of nuclear power station or the third London airport. -

The existing type of inquiry has caused a great deal of diss-ti-f-ction, said a report prepared by scientists, planners,

Conventional public local inquiries have a number of drawbacks, and are especially unsuitable for investigatin the uncertainties surrounding new and complex technology.

by a working party sponsored by the Council for Science and Society, the Outer Circle Policy Unit and the Council of Justice, suggests that a "project in-quiry" undertaken by a commission should examine the seed for major projects and publish a report which would then be debated and voted on

Instead the report, produced

The report adds that the present local inquiry system is perfectly adequate for local planning matters, but not for examining proposals involving national Issues.

group turnover, and assembly fix Products' sales. in Parliament. Heavier lorries threat

> to .villages' PROPOSALS TO allow heavier lorries on Britain's roads should be rejected on grounds of safety. ance, claims the National Association of Local Councils, re-presenting 8,000 local govern-ment units in England and

Increases in maximum weights would enable lorries to carry the standard 30 tonne containers at present carried by rail. This would prompt a fur-ther shift of freight havinge from railway to roads, the asso-

ciation said. Villages and towns would suffer "disastrously." Heavier weights would cause further damage to roads, where there was already a backlog of re-pairs after the very bad winter

Bedding group reduces iobs

MORE WORKERS are to be made redundant at a West
Midlands bedding company
where 1,000 jobs have disappeared in the last three years.
The Vono factory at Tipton
now aims to shed 98 of the 196

Apart from maintaining against armed robbery met with public order, Sir David says that particular success last year, says serious crime dropped marginally for the first time in eight robberies; totalling 20, com-

manslaughter or infanticide — reported were 24 fewer than in 1977 and 106 of those cases were

of firearms was concerned there the police service must remain were only 56 incidents when totally aloof and disinterested weapons were drawn from their was folly. The police had to holsters and a total of eight believe that justice had been shots fired on two separate Sir David says: "There will

be no departure from the tradition of the unarmed London us should foolishly think that bobby. I would be failing in my all convicted offenders are duty, however, to both members simply in need of kindness and of the public and to my officers consideration, of sympathy and if I did not ensure that a understanding, of compassion sufficient number of police and care and nothing else.

"Rampaging, drunken and the use of firearms and availviolent hooligans who roam cleared up. the use of firearms and avail-The Scotland Yard campaign able to meet the threat of vicious, armed criminals."

• Penal work camps, where hooligans should be made to

The legalistic assumption that

done and was being done, for that was the motif and main-spring of their actions. "In this connection, none of

"Rampaging, drunken and violent hooligans who roam the city streets, crash through

our shops and our stores, cause damage and wreak havoc wherever they go, and implant fear even in the stoutest hearts

among us, are surely not workers left after a massive deserving of much save severe cut back a year ago. The firm condemnation and barsh say there is insufficient work to maintain the labour force.

Mr. Carle Cammelli has been appointed by AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION as vice-president and general manager for UK and Ireland. He will report to Mr. Richard Fenhalls, senior vice-president with responsibilities for the Europe I Region.

Mr. Malcolm Batey has been appointed managing director of ANZON in succession to Dr. Balph Bey, who will retain the position of chairman. Anzon is a subsidiary of Lead Industries Group.

The Secretary for Education has appointed Mr. Stuart Sexton as his special adviser.

Middletown, Ohio, U.S. Hr. T. J. Harett has become assistant director of the division and Mr. G. D. Miller has been made secretary to the Board.

Following its acquisition by Loarbo, SCOTTISH AND UNIVERSAL INVESTMENTS managing director, Scottish and Universal Newspapers; Mr. J. R. Crawford, managing director, George Outram; Mr. K. A. Graham, managing director, Whyte and McKay Distillers; Mr. L. H. Fyfe, group financial controller, and Mr. A. D. Peebles, group company secretary, have Titanium plant at Waunarlwydd, Swansea.

Mr. A. P. McLeish, regional recently president and chief director of the England and director of the England and Mainstrative officer of the administrative officer of the main Board.

Two new directors have been appointed to the Board of 3M cultifed an international division, from appointed to the Board of 3M cultifed an international division, George Outram; Mr. K. A. Butcher, of the company in place of Nr. F. A. Butcher, of the company in place of Mr. F. A. Butcher, of the Board of 3M cultifed an international division, George Outram; Mr. K. A. Mr. Richard A. Andrew has been appointed a general manager of SCANDINAVIAN managing director, and Mr. A. D. Peebles. BANK while continuing as group company secretary, have each been appointed a director of Scaninvest ment Services SA (SISSA). Mr. by the company in place of Mr. F. A. Butcher, of the company in place of Mr. F. A. Butcher, of the Bank. Mr. Robert Meachem place of Mr. F. A. Butcher, of the Bank. Mr. Ablström Mr. P. W. C. Griffith; hon manager of the photographic Burope, Asia and Latin America.



Mr. Leslie Young

department in succession to Mr. Kari Walden who is returning to Finland to take up a corporate

The COUNCIL OF THE SOCIETY OF MOTOR MA: FACTURERS AND TRADE has re-elected each of its 197 honorary officers for anoterm: president Sir Barrie He

IMPORTANT NOTICE TO PERSONS REGISTERED FOR VAT

Changes in VAT

From 18th June 1979the Higher Rate of VAT is abolished and the Standard Rate of VAT is increased from 8% to 15%

This means that from 18th June 1979 you must account for tax at the new rate of 15% on all supplies previously taxable at 8% or 121/3%.

New VAT fraction

The new VAT fraction for calculating VAT from tax-inclusive amounts is 3/23rds.

What you must do

You should follow the general guidance given in Notice 716 on rate change procedures. However, those rules have been amended to allow you to charge VAT at the old rates on supplies which you in fact made before 18th June even where the tax point occurs on or after that date (eg. because you issue an invoice on or after 18th June for supplies in fact made before then). More information about this amendment is given in Leaflet VAT 716/1/79, which you can get from your local VAT Office.

If you are a retailer you must follow the rules about rate changes given in the Supplement to Notice 727 for the special retail scheme you are using. If you use Scheme E or Scheme J you must carry out the required stocktaking at close of the last day of trading before 18th June. If you make supplies only at the present 8% and 12½% rates, only Scheme A will be available to you from 18th June. Notice 735, which gives further information and includes a ready reckoner for calculating VAT at the new rate from tax-inclusive amounts, is also obtainable from your local VAT Office.

Issued by HM Customs and Excise.

THE HEAVY cost to the slightly down on 1977. While the willingness of some arrested chester, in Manchester yester-down taxpayer and ratepayer the "clear-up" rates for these of keeping the peace was high-crimes remained at 21 per cent, the Crown." The police were not satisfied further was a slight drop in the McNee, Commissioner of the number of people arrested. Of Metropolitan Police, in his the 103,167 arrests made, 27 per and shots were fired on Manchester Luncheon Club. The police were not satisfied further wrong-down to him the year and shots were fired on Manchester Luncheon Club. The police were not satisfied further wrong-down to him the year and shots were fired on Manchester Luncheon Club.

London pays £2.5m to keep peace

Aetropolitan. Police. in discrete annual report for 1978.

Public order in the capital was maintained despite an unprecedented number of demonstrations, industrial disputes and processions. But the price of policing such events was high—for 18 major demonstrations—many of them National Front and anti-Nazi confrontations—the bill came which increased last year. confrontations—the bill came to almost £2.5m. The heaviest police cost of all last year, however, was during the two-day Notting Hill carnival last. August amounting to nearly.

years and the overall number of road accidents was down. The number of indictable crimes totalled over 500,000,

Of the categories of crime which increased last year, assaults were up by 10 per cent.

robberies, totalling 20, com- sweat "as they have never fear even in the pared with 41 in 1977. "This is sweated before" should be among us, a attributed partly to the established in Britain, said deserving of n lishment of a special Central Mr. James Anderton, Chief condemnation Robbery Squad and partly to Constable of Greater Man-

APPOINTMENTS

North regional director for NatWest

Mr. Lestle Young, chairman of
J. Bibby and Sons, has been appointed a director of the North Regional Board of NATIONAL manager of the tape and allied and more received division.

WESTMINSTER BANK, Mr. Northwest Industrial Development Board and a non-executive director of the Mersey Docks and Harbour Company.

Mr. John P. Sianten, who has been managing director of Holset International. a Huddersfield-based subsidiary of CUMMINS ENGINE COMPANY INC, has been made vice-president of the Cummins' component companies in London, Huddersfield and Halifax.

Mr. K. V. Sutton has been appointed commercial director of Hill Samuel Group. Mr. Brian Sheet of Hill Samuel Group. Mr. Brian Spented to Hill Samuel Group. Mr. Brian Spented investment Management

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Mr. K. V. Sulton has been appointed commercial director of DH TITANIUM. He has been succeeded by Mr. W. L James as works director of the IMI Titanium plant at Waunarlwydd, Swansea.

Mr. A. P. McLeish, regional director of the England and Wales region of COLAS (UK), has been appointed to the main Board.

ENERGY REVIEW

BY RAY DAFTER, Energy Editor

The world's other oil resources

THERE IS no reliable gauge of 600bn barrels to future crude that the amount of recoverable the amount of oil left in the oil supplies almost as much as oil will be stretched as time earth's stock tank. The contine present proven reserves of passes, sensus view of global resources conventional oil. At p is that originally the world contained about 2,000bn barrels these resources is close at hand, is being left in the ground of recoverable oil of which certainly closer than some other because it is either too difficult about half has already been energy forms now being studied or too costly to extract. Given discovered. So far around seriously by industry and the right conditions and engovernment agencies, as shown couragement the oil industry extracted and consumed and world proven reserves are world proven reserves are the other hand, there could be estimated to be about 640bn some serious environmental barrels. On this basis American constraints to their develop- fields the industry could do even geophysicist. Mr. M. King Hubbert, has demonstrated that output from the world's oil fields will reach a peak in the are too expensive to exploit 1990s and will fall rapidly thereafter. Taking this development pattern, he concludes that of fuel. For example, the basic only a few exceptions, the oil children who were born in the cost of producing unconventual is produced at present 1960s will see the world contional oil is now considered by flows to the surface either as a 1960s will see the world con-sume most of its oil during their lifetime: that the middle 80 per cent of the world's ultimate production will be produced in just 58 years, between the late 1960s and the 2020s.

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2" 10" 25

This picture, drawn by Mr. King Hubbert in a 1977 U.S. Congressional Research Service Report, "Project Interdependence: U.S. and World Energy Outlook Through 1990," illustrates dramatically the need for conservation and alternative year was costing an average of energy development. However, \$14.50 a barrel; by the end of it ignores the way in which this year the average should be recoverable oil reserves could be expended, given the application of new technology and the infuence of rising fuel prices. Mr. Michael Grenon, of the International Institute for Applied Systems Analysis, in Laxemburg, Austria. last year conventional oil resources produced a report ("On Fossil should be exploited is that they Fuel Reserves and Resources") could help to relieve the presin which he showed oil produc- sure on Middle East supplies. tion rising from last year's level of 22bn barrels to reach a peak considering that the Middle of about 36bn barrels around East is one of the most 1990. Unlike Mr. King Huhbert politically voletile areas in Mr. Granan seas the possibility the world. The U.S. is Mr. Grenon sees the possibility the world. The U.S. is of oil production being stabilised at this point at least until the in respect to its shale oil year 2075. In making this resources; it could contain extremely optimistic projection, 2,200bn barrels according to BP. he includes in his reckoning the The other major deposits are to vast reserves of unconventional be found in Brazil (800bn oil—shale oil, tar saids, very barrels), the USSR (115bn heavy oil—that currently lie barrels) and Zaire (100bn unfouched.

its briefing papers published last to be in Venezuela with most year, quantified these potential of the balance located in Canada resources. The company esti- and the Soviet Union. Now that mated that shale oil resources the cost of exploiting some of totalled 3.000bn to 4.000bn the heavy oil and tar sand barrels of which perhaps 6 per resources is coming more in line cent could be considered with exported crude oil prices, recoverable. Ter sands and Venezuela and Canada are heavy oil accounted for another beginning to speed the develop-8 000bm to 5 000bm barrels of ment of their unconventional oil which about 10 per cent might reserves. be recovered in BP's view,

government agencies, as shown couragement the oil industry in the accompanying table. On should be able to improve that ment. Above all else, there is better. the cost consideration. Thick, To do this companies need to heavy oil or shale oil deposits apply far more exotic—and commercially, more risky-prowhen set alongside the extrac- duction techniques than

Cost factor

nearer \$18 to \$20 a barrel. If OPEC producers manage to regulate output in a way that the tightness of supplies con-tinues, further substantial price increases will inevitably arise. One strong reason why non-

an important security factor considering that the Middle British Petroleum, in one of sands and heavy oil is thought resources is coming more in line

Rising prices and improving Even taking these modest technology also have a bearing recovery factors it is possible to on the way more conventional foresee unconventional oil oil reserves are emploited. Here from the introduction of such reserves contributing some too there is a strong possibility new technology. I estimate that

At present some 70 per cent The technology for exploiting of the oil in commercial fields because it is either too difficult recovery factor, at least to 40 or 45 per cent. In many oil

tion of more conventional forms generally used at present. With the energy industry to be in excess of \$15 a barrel—and that sures or by means of injected is without taking into account water or natural gas. The oil costs needed to cover texation, that is left behind is vast in refining, storage, transmission quantity but it presents the industry with one of its biggest dustry with one of its biggest of the oil will remain un-touched for ever, isolated from However, the picture is the producing wells by geologichanging as oil prices continue cal conditions. The rest of the to rise. OPEC oil delivered to residue is the hard-to-get oil U.S. refineries at the end of last that may form a film on the that may form a film on the walls of the rock pores or it may be locked in the reservoir by droplets of water.

Gas mix

There is no ready-made key to unlock this store of oil: each reservoir is unique and the quality of oil can vary greatly, from being thinner than water notional reserves that could be made available by the applica-tion of enhanced recovery on the one hand to being thicker than cold molasses on the other. To tease this oil out of the ground, production men may have to inject steam, encourage a fire in the reservoir, nump in chemicals or mix the trapped oil with a gas. Latest estimates of the U.S. Department of Energy show that the minimum price of oil required to justify the use of such methods is as follows: 1979

S per barrel Steam drive In-situ combusion 13-20 18-23.50 CO2 flooding Surfactant/polymer flooding 20-32

Again, it can be seen that at least some of these methods are beginning to look economically feasible. It is noticeable how, in recent years, major oil companies have developed a closer lisison between their research and production teams so that they are in a better position to judge which of their mature oil fields could benefit

NEW SOURCES OF ENERGY

STATUS OF TECHNOLOGY SOURCE Theoretical Experimental* Coal gas Heavy oil from sands

(New technology) Thermonuclean Advanced

Widespread solar electricity

at present there are some 360

production projects in non-Communist countries involving

the use of advanced technology: a large proportion of these are

no more than pilot tests. The

extra oil that is produced in

this way probably amounts to little more than 700,000 barrels a day; barely 1.5 per cent of total free world production. Nevertheless, it is the potential

which needs recognition.
Shell, in a report published in March, estimated that the

techniques could be as much a

400bn barrels; coincidentally,

the cumulative amount of oil

produced to date in the world.

Shell pointed out that the new

technology would not bring any significant production benefits

on a worldwide scale in the

next 10 to 15 years although the group and its affiliates were

already involved in a number of projects both in the U.S. and

in the Schoonebeek Field in

A number of reports have in-

amount of reserves now con-

Holland.

Wave power

(Other than dry steam)

Solar cooling

Tidal power

Bioconversion

Heavy oil production

(Fischer-Tropsch)

Solar electricity

(remote locations)

Local wind power

Geothermal (Dry steam)

ENERGY PRODUCTION COSTS*

	\$ per barrei oll equivalen
Indigenous coal (U.S.)	3-5
Imported coal (NW Europe)	8-14
Indigenous coal (NW Europe)	10-15
Middle East oil	0.25-1.00
North Sea oil	7-12
Nuclear input break-even value	7-11
Low Btu gas from indigenous coal (U.S.)	19-25
Liquefied natural gas imports	10-23
Synthetic natural sas from indirenous coal (U.S.)	23-35
Liquids from coal (U.S.)	30-37
Liquids from imported coal (NW Europe)	30-44
Liquids from oil sands	15-25
Liquids from shale	15-35
Biomass (crops grown for fuel) as liquid	30-60 ÷
Solar hot water (on site, 35 degree latitude)	50-130÷

 Excluding taration, relining, storage, transmission and distribution costs.
 The fuel input cost required for lossil-fuelled plants to produce electricity the same cost as nuclear stations. nuclear stations. Shell; "World Energy Prospects." Oct. 1977, updated by major energy corporations, spring 1979

amount of shale oil, tar sands, heavy oil and conventional oil that might eventually be ex-ploited through advanced techdicated that, given time, it should be possible to double the nology—the picture for future oil supplies is seen to be less black than some have painted it. Oil could continue to meet significant amount of our energy needs well into the next century and, perhaps beyond. But there is a trap here. This hard-to-get oil will not be ex-

sidered to be proven and recoverable in the U.S.—around 30bn barrels—by means of enhanced production techniques. Looking further afield, some company estimates have sug-gested that it might be possible ploited soon enough and in big to add up to 800bn barrels to enough quantities to prevent a the amount normally considered to be recoverable worldwide within the next two decades, untional Affairs, Harrard, where using more conventional tech- And there can be no assurance Consequently, when all of the of this oil will ever be re-

potential is totted up-the covered. There might be economic or environmental reasons why this fuel resource will stay in the ground: perhaps the development of other alternative energy sources will make it superfluous. Yet it is still important for the potential to be recognised by energy planners; unconventional oil could form a plank in the bridge between oil-dependent energy policies and those that take advantage of non-declining sources, of power and heat.

Ray Dafter is currently a

decline in overall production Fellow of the Center for Interhe is researching the potential that even a sizeable proportion for enhancing the world's re-

FOOD PRICE MOVEMENTS

J		I I I I I I I I I I I I I I I I I I I	Week ago E	Monta ago £
ı	BACON .		_	_
Ī	Danish A.1 per ton	1,150	1.150	1.150
ı	British A.1 per ton	1,005	1,005	7.0A5 -
ı	Ulster A.1 per ton	1,095	1.095	1,065
1	BUTTER		•	-,
l	NZ ner 20 kg	14 99/14.37	14 ***/14.37	14,11/14,04
ł	English per cwt†	81.65	S1.65	81.65
ı	Danish saited per cwtt	85.10/87.85	\$5,10/87.85	85.10/87.85
ı	CREESE			
ı	NZ per tonne	_	_	_
ı	English cheddar trad.			
1	per tonne	1,510		
ı	EG68*			
ı	Home produced:			
ı	Size 4		2.90/3.00	3.00/3.10
ı	Size 2	3.40/3.60	3.40/3.60	3.60/3.80
١	1	June 14	Week ago	Month ago
1		P	₽	p
l	BEEF			
1	Scottish killed sides			
ı	_ex-KKCF	65.0/69.0	60.0/65.0	58.0/62.0
ı	Eire forequarters	42.0/44.0	40.0/42.0	35.0/38.0
I	L JIB			
I	English	70.0/74.0		76.0/94.0
ŀ	NZ PLs/PMs	51.0/52.5	51.0/52.5	51.0/52.5
ı	PORK			
Į	All weights	34.0/44.0	34.0/44.0	33.0/45.0
i	POULTRY	44 0 144 0	41.0444.0	40.0140.0
ĺ	Oven-ready chickens		41.0/44.0	40.0/43.0
l	* London Egg Exchar	ige price pe	r 120 eggs.	† Delivered.



National Westminster

NatWest announces that with effect from Friday, 15th June, 1979, its Base Rate is increased from 12% to 14% per annum.

The basic Deposit and Savings Account rates will be increased from $9\frac{1}{2}\%$ to $11\frac{1}{2}\%$ per annum.

Brown

Extracts from the Annual Statement by Lord Farnham, Chairman of Brown Shipley Holdings Limited, for the year ended 31st March, 1979.

Fluctuations in financial markets again dominated our affairs and political uncertainties and depressed economic conditions have inhibited optimism and enthusiasm for expansion in the commercial community which we serve.

Interest rates rose sharply, MLR rising in stages from 61/2 per cent, in March to 10 per cent, in June with further sharp increases in November to 121; per cent, and in February 1979 to 14 per cent, With the prospects for economic growth and trading activity uncertain we must hope that the present level of 14 per cent, does not have to be maintained

Result for the Year

The profit of the Group after providing for taxation and a transfer to the inner reserves of the Bank, amounted to £1,651,153 (£1,692,993). The Directors recommend a final dividend of n. 107p. bringing the total for the year to 10.607p. This represents the maximum increase permitted at present.

It is now announced that dividend regulations will lapse in the near future and the Directors consider that an increase to a higher level would be appropriate. They intend to review this at the time of the interim statement in November. The Directors of Brown, Shipley & Co. Limited have reviewed the size of the inner reserves of the Bank and it was considered appropriate to transfer £2,000,000 to the Bank's disclosed resources. Together with retained profit and other movements this has increased the Group's disclosed capital and reserves by £3,158,688 to £18.958,221

Banking Group

In the first half year demand for credit was low and margins on available business narrowed. Earnings on the Bank's free capital improved in the second half and we were encouraged by some increase in demand for credit facilities. This was reflected in a higher level of utilisation of our acceptance facilities at the year end.

Assets held for leasing have increased from £11,472,421 to £13,883,984 and the contribution to banking profit has shown a significant improvement.

Our banking businesses in the Channel Islands made steady progress and provided useful contributions to profit. During the year we increased our holding in Trinity Bank in Dublin to 78 per cent. and we are very pleased with its

The net disclosed profit of the Banking Group after taxation was £1,252,493, a decline of 4.4 per cent.

Insurance Group

Growth in brokerage earned in the United Kingdom from both home and overseas markets failed to keep pace with costs incurred here. The low level of economic activity and the strengthening of the pound against the currencies of our major overseas earnings remain significant factors in this unsatisfactory picture. Of our direct overseas operations, that in the United States has again made an important contribution but our Australian company has still to become profitable. Our South African subsidiary has also made a significant contribution. The net result was £769,706 before taxation compared with £795,269 in 1978.

The Future

The economic outlook remains uncertain but one of the main causes of this, concern over the price and availability of oil, may itself contribute something to stability. The accelerating contribution of North Sea oil to our balance of payments should increase confidence in our currency and provide the opportunity to reduce interest rates.

The political uncertainty of the past year is now over and we hope that the new Government will be able to generate the enthusiasm in industry and trade in this country which is so important to the prosperity of both our banking and insurance

Year ended 31st March	1979 £000	1978 £000
Profit of the Banking Group after tax and transfer to inner reserve	1,252	1,310
Profit of Parent Company and Insurance Group after tax	399	383
Net profits of the Group	1,651	1,693
Dividends	587	513
Retained profit	1,064	1,180
Other net increases in disclosed reserves	2,095	1,495
Total gross assets	252,894	221,847
Shareholders' funds	18,958	15,798

The full Annual Report and Accounts and Chairman's Statement may be obtained after 22nd June from

Brown Shirley **Holdings Limited**

Founders Court, Lothbury, London EC2R 7HE

BA Joint Stock (ire 166 508	Company - Head Office in Florence	SCANA - Capital: reserves and risks funds	8:
The ORDINARY AND EXTRAOR-	DINARY GENERAL MEETING of shareholders of the Banca Toscana was held on April 30, 1979, in Florence at the Bank's Head Office, the Portinarl Salviati Palace, under the presidency of the Hon. Dott. MARTINO BARDOTTI. After the President's address to the shareholders, the Managing Director, Dott. GIOVANNI CRESTI read the Board of Directors' Reports and answered numerous questions thoroughly.	In the extraordinary session the shareholders approved the increase of the share capital from 12 to 24 billion lire by raising the shares' nominal value from 100 to 200 lire and from 24 to 30 billion lire by Issuing new shares at nominal value. In the ordinary session the annual report as of December 31, 1978, which evidences the successful results achieved by the bank, was approved by a large majority.	

FROM: THE ANNUAL REPORT AS OF DECEMBER 31, 1978 Customers' deposits 3.252 billions (+ 27,23% over 1977) 1.012 billions (+ 8,66% over 1977) Loans to customers 1.321 billions (+ 25,82% over 1977) Securities owned 5.190 millions Net profit

Capital, reserves and risks funds The net profit for the financial

year made it possible to allocate 1.790 million lire as reserves, 350 million lire to charity and 3 billion lire to capital. The dividend, amounting to 25%, is payable from May 2, 1979, at all our branches as well as at Monte dei Paschi di Siena, Credito Commerciale and Credito

Lombardo. The shareholders unanimously appointed Mr. Carlo Zini and Mr. Bruno Tassi Directors. The Board of Directors, which met after the General Meeting, appointed Mr. Carlo Zini Managing Direc-

The BOARD OF DIRECTORS is thus made up as follows:

President: Martino Bardotti Vice President: Rodolfo Brizzi -Managing Director: Carlo Zini -Directors: Paolo Barile, Giusepzo Fratoni. Glorgio Giorgi, Gior-gio Gori, Giorgio Kutufa, Gian-ni Menghetti, Ermanno Secrital pe Catturi, Siro Cocchi, Vincen-Menghetti, Ermanno Sagginel-Carlo Serafini, Giancarlo Si-

gnorini, Bruno Tassi - Secretary:

Aldo Galanti.

SUPERVISORY BOARD: President: Mario Tanini - Members: Athos Rossi, Enzo Tenti, Carlo Luigi Turchi, Alberto Zanni, Elio Canaletti, Pilo Politi. The Central Management is made up of:

Central Manager: Fosco Buccianti - Deputy Central Managers: Domenico Coccioli, Ilio Piccini, Mario Vasetti.

Through the recent acquisition of the majority of Credito Commerciale's capital stock, the banking group:

MONTE DEI PASCHI DI SIENA - BANCA TOSCANA - CREDITO COMMERCIALE - CREDITO LOMBARDO » administers deposits, as of March 31, 1979, for over 16,000 billion lire. The group's own resources total 700 billion lire.

165 billions

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

The professor, who is director he said that the welfare of the

to pay for it.

of the Department of Adult old, the sick and disabled Education at Keele University, depended on the ability of the

strife which disrupted the log action.

National Health Service last winter, the Government has called on the services of

Professor Roger Dyson, an economist and specialist in

Education at Keele University,

has been appointed consultant

adviser to Mr. Patrick Jenkin,

He will work initially for the

Department one day a week on industrial relations in the NHS

and in the social security sector, where industrial action

by computer staff delayed pay-

Announcing the appointment

during the continued Budget

debate in the Commons yester-

day. Mr. Jenkins said that his

Department and local health

authorities were studying very

closely the events of last winter.

fessor to strengthen the advice

he received on such matters.

He had appointed the pro-

Mr. Jenkin strongly empha-

decentralise the NHS. The Royal Commission on the

Health Service is expected to

The Secretary of State said

report in a few weeks.

BY IVOR OWEN

takes place on Monday.

not intervening in industrial

disputes will not be breached if

the threatened strike by workers

on the London underground

Mr. Norman Fowler, the Mini-

ster of Transport, gave this firm assurance in the Commons

While hoping that the talks convened by ACAS, the independent arbitration and concilia-

tion service, would enable the strike to be averted, he outlined

the Government's contingency

plans, including the provision

of 8,000 extra car parking places

Mr. Fowler reaffirmed the

non-intervention policy in re-sponse to a direct challenge

from Mr. William Rodgers, the

former Labour Transport Mini

stor' who stressed that a settle-

ment of the dispute had hardly

been made any easier by the

THE Parliamentary Labour

Party met yesterday to select the Shadow Cabinet. Voting

ELECTED

NOT ELECTED

(153) (148) (136)

(133) (129)

(128)

(122) (112)

(110)

(101)

(98) (88)

(82) (79)

(74) (69) (62) (60) (57) (56) (54) (49)

(47) (46) (45) (42) (39) (36) (35) (33) (29) (28)

(24) (24)

Shadow

Cabinet

chosen

Deals Healey John Silkin Peter Shore

Roy Hattersley

Stan Orme

Athert Booth

Merlyn Rees

David Owen

Roy Mason John Smith

Eric Heffer

Neil Kinnock

Tam Dalyell

Judith Hart

Bob Hughes Jeff Rooker

Alex Lyon

Joan Evans

Fred Mulley

John Horam

John Grant

Giles Radice

Phillip Whitehead

Votes in brackets.

Alan Williams

Harold Walker

John Prescott Bruce Millan

Brynmor John

Dickson Mabon Norman Buchan

Gerald Kaufman

George Cunningham John Garrett

William Rodgers

in central London.

ments earlier in the year.

the Social Services Secretary.

industrial relations.

Thatcher shrills above Labour battle cries

THE BUDGETS reverberations struck a shrill defensive chord from Mrs. Margaret yesterday. Sir Geoffrey Howe's composition had not awakened quite the har-monious response that had been expected.

The TUC was booming threateningly in the back-ground; the FT Index reflected the City's semiquavers. Protests about prices vere rising.

In the sure knowledge that the Commons critics would be waiting for her, the Prime Minister ...arrived ...well-equipped with the records of 15 Labour Budgets.

It did not take long for the discord to start. Mr. Tom Cox, Labour MP for Tooting. complained angrily about the

'Dishand SPG' plea to McNee

THE Metropolitan Police's Special Patrol Group came under fire from Labour MPs yesterday, only hours after Metropolitan Police Com-missioner Sir David McNee had defended the elite trouble squad."

Mr. Dennis Skinner (Lab., Bolsover) said the SPG should be disbanded until there was a public inquiry into the death of Anti-Nazi League supporter Blair Peach—in the clash with police at Southall during the election campaign. - Mr. David Winnick (Lab., Waisail N.) said Labour MPs were not satisfied by Sir David's remarks.

Commenting on a Commons written reply from Mr.
William Whitelaw, Home
Secretary, about the SPG's background, Mr. Winnick "Like any other Labour MP, I remain very disturbed about the role of the SPG." His concern had not been put to rest by Sir David's comments. Southall's Labour MP, Mr. Sydney Bidwell, said a police inquiry was not enough to allay public fears about the

' He urged Commons leader Norman St John-Stevas to consider a Commons motion which had been signed by a group of Labour MPs calling for a public inquiry into the Southall clashes.

But Mr. St. John Stevas said the Government would await the outcome of the police inquiry first.

Mr. Whitelaw said in his written answer that he planned to make a statement in the Commons when he received the police report on the Southall riot and the way the police had handled it.

Death penalty vote promised

MPs will get the chance to vote on the reintroduction of the death penalty before the Commons starts its summer recess about the end of July. No date was fixed by the Leader of the House, Norman St. John-Steras, when he made the announcement. But he promised a debate would be held before the summer adiograment.

Renewed demands to reintroduce the death penalty were made after the WA murder of the Tories' Northern Ireland spokesman. Airey Neave, shortly before. the general election.

Regional grant applications

THE FOUR months' deferment of payment of approved regional development grants will apply to all applications made after June Keith Joseph. ustry Secretary. 12. Sir Keith Joseph. the Industry Secretary, announced in a Commons writien answer last night.

He said the Department would accept as in time applications posted to the Regional Development Grant Offices on or before June 12. No requests for priority treatment would

Police pay parity report

THE GOVERNMENT expects to receive a committee report on pay parity between the civil police and public authority police forces by the end of the week, Civil Service Minister of State, Paul

Channon said yesterday. In a Commons written reply to Mr. Robert McCrindle (C., Brentwood and Ongar). he said the report would receive "urgent considera-

Blood sports law rebuff

THE GOVERNMENT had no plans to legislate on blood sports, Minister of State at the Home Office, Mr. Leou Brittan told Mr. Ted Graham (Lab, Edmonton) in a Commons written reply yesterday.

But it was pleaged to bring in laws amending the Crucity to Animals Act 1876, although not in the present session, said William Whitelaw, Home Secretary.

effect of the Chancellar's measures on housing.
"Is she aware of this?" he demanded incredulously.
Mrs. Thatcher snapped that she was aware—Did he know that his Government held the

record for the highest mortgage rates? she asked. Mr. Robert Hughes (Lab, Aberdeen North) erochetily inquired when the Prime Minister was going to meet the TUC.
"Very soon," said Mrs.
Thatcher, consulting her

Would she discuss with them how she was going to handle the 2m unemployed that would result from her Government's actions by the end of the year? Mr. Hughes And why she had been so quiet during the election Again Mrs. Thatcher knew the score. The Labour Government had more than doubled country's unemployed, she declared.

She agreed with Mr. Authony Marlow (C., Northampton N.) that since less than half their members had voted Labour, trade nion leaders should not strut around the national stage as second-rate socialist politicians."

Above the Labour jeers, Mrs. Thatcher shouted that the Conservatives would do everything they could to hncrease "genuine" jobs.

"The Budget makes a very good start," she cried.
Mr. Bob Cryce (Lab. Mr. Bob Cryer (Lab., Keighley) suggested that the Budget had already made a

relations expert to NHS

IN AN affort to prevent a less the Government would not trade union leaders in the NHS

repetition of the industrial want to wait long before start- and with various interests in

The responsibilities of local

he said, for giving as much

economy to produce the wealth

The Budget was crucial to the level of welfare benefits and

health care. If we reversed the

decline of the economy then

these services could look forward to a brighter future.

He denied Mr. Callaghan's

allegation that the Budget was

a reckless gamble. It was vitally

important, said Mr. Jenkin, that

we should have a firm monetary

policy, that we should cut public

spending and reduce Govern-

Labour of running a "squalid scare campaign" during the

last election about Conservative

plans to cut health and social

sised that the Government But in fact, the Government on basis of this policy, I really wishes to make rapid moves to Wednesday had announced the is living in cloud decentralise the NHS. The biggest pension increase in cacheo land," Mr. Orme Safd."

history and was maintaining

that he did not want to make for the wider use of private per cent-and that is going to

any precipitate moves before medical care, Mr. Jenkin sold be a real cut in living stan-studying the report. Neverthe- he had been having talks with dards."

Government 'will not intervene'

THE GOVERNMENT's policy of Government's own forecast that made to the workers of London

which it is easy to get a solution

not a Government dispute. It is

a matter between the London

unions with whom they nego-

Transport executive and the mil-

"I am sure that none of those

directly concerned would want

the Government to interfere in

the well-established machinery

for settling per. Nor do I have any intention of doing so."

The Minister pred Mr. Rodgers to make the Onnel-

tion's attitude clear, pointing out that the only effect of the

dispute would be to put fares

up still further—beyond the 12 per cent increase already dua

"This is not a climate in

17% per cent later this year.

The Secretary of State accused

ment involvement.

security.

Defending Tuesday's Budget,

local autonomy as possible.

Jenkin appoints industrial

very good start too, in wreek-ing industrial relations with its massive price increases. And Mr. Nike Thomas (Lab., Newcastle E.) suggested that those price

rises would mean that anyone earning less than £10,000 a year would be no better off. Mrs. Thatcher's fury waxed —and she stood at the despatch box yelling lines from Mr. Denis Healey's past

performances.
The Tory Budget had reduced direct tax and left mere money in peoples' pockets to pkay the increased prices with some left over,

Mr. Tealey, in his first Budget in 1974, has increased prices by 2.75 per cent, Mrs. Thatcher recalled. On top of that, he had increased income tax by 3 per

the private sector.

House in the autumn.

sals before January.

in the Commons.

managers in the NHS had to be for partnership and co-operation stressed. There was a real case. in implementing its proposals.

overall spending on the NHS at per cent inflation will be too the level which it inherited. per cent inflation will be too low." warned Mr. Orme. "It

the level which it inherited. low." warned Mr. Orme. "It On the Government': plans is more likely to be 19 to 20

inflation would be running at underground matched that

to industrial disputes," he said, of the GLC that if the union's Mr. Fowler retorted: "This is much larger claim were agreed,

to take effect in September.

He recalled that the effer suspend metre charges.

Winners (above): Mr. Merlyn Rees and Mr. Denis Healey.

Losers (below): Mr. Gorald Kaufman and Mr. Eric Haffet,

busmen.

The Government was looking

In this area—and on pay beds

-a consultative letter setting out the Government's general

proposals rould soon be going

out to various bodies. He-would

bring legislation before the

vices Board, which recommends

should be abolished, would not

submit any more major propo-

Mr. Jenkin hoped that the

Tories could achieve this with

the co-operation of other parties

But this hope was immediately dashed by Mr. Stanley Orme, speaking from the Labour front beach. Mr. Orme Social Security Minister in the last Government, prophesied

last Government, prophesied

that the differences on health

policy between the Government

and the Opposition would become more pronounced. When the Secretary of State

asks for co-operation on the

" I think the forecast of 17.5

recently agreed with the London

"I am advised by the leader

of the GLC that if the union's

this would entail a very signifi-

eant increase in fares in addi-

tion to faces elready planned,

Mr. Fowler warned that if the

strike did take place there was a danger that it would not be possible to confine it to a one-

In outlining the contingency

On the advice of the Metro-

poittan Commissioner of Police.

it was not planned, at present,

to lift waiting restrictions or to

arrangements, he explained that

er cuts in services."

Meanwhile the Health Ser-

private beds in the NHS

cent, she shricked over a chorus of Labour jibes. Before 1974 was out. Mr. Healey had raised the price of then gone on in the following year to increase both prices and taxes again, Thatcher roared

"She's rattled," Mr. Dennis.
Skinner (Lah., Belsover)
observed delightedly as the
Prime Minister breathlessly sat down.

Mr. James Callaghan, who until then had conducted himself unobtrusively on the Labour front bench, rose to ask politely when Mrs. Thatcher intended to stop fighting the last election. "When you stop your troops from fighting it," she shrilled, amid Labour

Scotland Act to be repealed

By Richard Evens, Lobby Editor, THE SCOTLAND ACT, which proopses devolved powers for an Edinburgh-based Scottish Assembly, is to be repealed in the House of Commons next Wednesday in spite of protests from Labour leaders.

When next week's business:

was announced yesterday, Mr. Callaghan unged Ministers to postpone the vote on the Act until all-party talks on Scottish devolution had been held. But Mr. Norman St. John Stevas, Leader of the Commons, stream that there was a constitutional obligation to repeal the legislation following the result of the Scottish referendum in March. He regarded the proposed all-party

talks as a separate issue.

Labour leaders believed that if the devolution issue is shelved by the Government it will return as a major political problem very rapidly, particu-larly if there is high unemployment and a sense of neglect in

Scotland. -The Government has a threeline whip for the vote which will ensure that the Act is

Mr. George-Younger, Scottish Secretary, and Mr. Malcolm Rifkind, Under-Secretary at the Scottish Office, will move the motion and Mr. Bruce Millan, former Scottish Secretary, and Mr. Michael Foot, who was in charge of the Labour Government's devolution proposals, will speak for the Opposition. The Government still intends to launch all-party constitu-

tional talks in an attempt to get agreement on Scottish devolu-tion but there is no indication of when these will start. The orresponding motion on the Wales Act, which is far less con-troversial, because of the decisiveness of the referendum 'no" vote. is expected to be tabled before the

Pensions formula

THE GOVERNMENT:

warned yesterday by Mr. Len Murray, the TUC general secre-tary, that the TUC could not the 8,000 extra car-parking places would be provided in the Royal and other London accept the proposal that pen-sion increases should in future be based on price rises only. Speaking at the first National Pensioners Conven-tion, organised by the TUC and held in London, Mr. Murray said it was a vital part of TUC policy that a pensioners' income be tied directly to that of the working population, and that uprating should be directly linked to wages. The TUC would resist the proposal to change the present system linking pensions to earnings or price rises, whichever was higher. It was the policy of the TUC that pensioners should receive an adequate basic pension from the welfare state, and a country that did not do this could not call itself civilised. As a first step he called on the Government to raise pensions for a single person to one-third of national average earnings national average earnings— that is at least £30 per week— and to one liaif for married -£45 a week. Mr. Murray accepted that these proposals would be costly

—a figure of £5bn a year had been quoted. But the problem was not whether the country could afford to raise pensions but how it was going to be done. The Government had to decide w to raise the money fairly through taxation and national

This theme was adopted by most delegates at the conven-tion, all of whom were bitterly policy on future pension upratings. Some delegates went further than the TUC and demanded that a single person's pension should be one half of national average earnings and a married couple's three-quarters.

general secretary of the Trans-port and General Workers Union and now president of the TGWU retired members section, demanded that pension increase should be made every six months and rejected any excuse of administrative inconvenience. He considered it not unreasonthis year's Christmas bonns to be increased to £20

One-day stoppage disrupts post

By Phillip Bassett, Labour Staff MANY POST OFFICES were closed and collection and delivery services disrupted yesterday by a one-day strike by members of the Post Office Management Staffs' Associa-

The Post Office, which had warned customers not to post parcels or letters unless absolutely essential, said that the effect of the strike had been patchy. The union claimed that 92

per cent of its 18,700 mem-bers had taken action and about 75 per cent of Post Office counters had been shut. All counters had been closed in inner London, and about 30 per cent in outer London. About 45 per cent of sorting offices throughout the country had been closed also. Telegram services and ship-te-shore radio also had been affected, although it was not possible to estimate the extent. .
The union is claiming in-

creases of about 25 per cent for its 5,600 telecommunicafor its 5,500 telecommunica-tions members. The Post Office has offered 9 per cent plus 3}-7 per cent for grade restructuring, and for those groups with April settlement dates a further 2½ per cent for moving to a common date of July 1. A further 31 per cent to be paid in April next year is now being offered.

The Post Office has offered the union's 13,000 postal members 9 per cent, plus £110 to cover disparity with telecommunications staff. The anion is claiming the disparity is more like £500 to £600.

The Post Office has imposed a 9 per cent increase on 4,000 senior salaried staff, including senior salaried star, including head postmasters, telephone area general managers, senior non-board staff responsible for specific areas of business, and other staff. Current salaries range from 26,000 to £16,000.

The increase, which is backdated to January I, is the first part of an offer which also includes a 44 per cent pay-ment to muve the senior staff's settlement date from January I to July I and an

offer to establish wider differ-

entials between them and the

grades immediately below.

Boilermakers on strike at Smith's Dock

BOILERMAKERS SIXTY. employed, at Smith's Dock Company on the Tees are on unofficial strike over long-standing pay differentials between themselves and other members of the Bollermakers Society at the yard.

The company said that the trouble arose from the due! classification of members. One group, classed as "main" hollermakers, were paid £94 a week while the other classed with the outliting trades, got #88.

group was being considered, but the 60 men had taken action before the outcome ...Work on two Polish ships and a refrigerated container ship for the Bank Line was

The last strike at Smith's Dock involved 100 draughtsmen at the Haverton Hill yard

Power-resumed THE TRAWSFYNYDD nuclear power station, North operation last night after 100 technicians agreed to resume normal working to permit talks on their pay grievances. The Central Electricity Generating Board estimated that replacement generating had cost more than £509,000.

Union backs 16% chemical pay package

THE Association of Scientific, Technical and Managerial Staffs accept & 19 per cent pay package. The staff are employed by the Albright and Wilson chemicals Britain. company. It is the first signifibration

cant pay deal to be agreed between negotiators and an employer since the Budget The deal is seen by the union negotiators as the new minimum porated in the Budget as well as

They said in pay negotiations tivity bonus.
this week that industrial action Pay negotiations

184 and 19 per cent to the comhas recommended that 2,000 pany's wage bill for scientists, white collar workers should technicians, clerical staff, supervisors, salesmen, computer staff, professional engineers and managers in 18 locations in

Basic rate increase costs are put between 141 per cent for junior grades and 15 per cent for seniors. In addition improvements in benefits, improvements including shift and on-call night level of settlement necessary to duty allowances are estimated take account of price rises incor- at 2 per cent. Another non - negotiated increase comes from a merit

past inflation. increase comes from Union leaders representing payment of 2 per cent. some 60,000 process workers in the chemicals industry have rejected a 14 to 15 per cent pay offer from the Chemical Industries Association.

The pay rise will mean average salaries for staff of between 28,000, for a basic 36½ hour week, plus overtime premium rates and a 7 per cent produc-

this week that industrial action Pay negotiations affecting might result if 20 per cent were 4,000 process workers in the company are continuing but are The Albright and Wilson not expected to be completed offer being recommended by until after settlement with the ASTMS after nearly two months employers' association

Move to ease Tube dispute's effects

BY PHILIP BASSETT AND LINA . WOOD

THE GOVERNMENT announced union officials and London Transport met for further talks aimed at settling the dispute. port Minister, told the Commons London, although, on police by ACAS. advice, waiting restrictions and Earlier. meter charges would not be sue-chairman of London Transport,

in outer London, some wait- the strike were bleak. relaxed where traffic movement would not be impaired.
The police would also operate clearways on key routes between

7am and 10am and between 4pm and 7pm. Detailed advice would measures may be considered if tember.

The National Union of Railplans yesterday to try to ease waymen, the train drivers' the effects of a London Under union ASLEF; and the whiteground strike set for Monday as collar Transport Salaried Staffs' Association were meeting London Transport at the offices imed at settling the dispute. of the Advisory, Conciliation Mr. Norman Fowler, Trans and Arbitration service last night after the unions had agreed to refer the dispute to that \$,000 extra car parking agreed to refer the dispute to spaces would be available in an ad hoc wages board set up

Earlier, Mr. Ralph Bennett, said that prospects of averting ing restrictions near suburban. The strike would cost London British Rail stations would be Transport about £3m a week and might result in long-term damage to services, including possible reductions in services

and closure of stations. To meet LT's offer, worth 10.3 per cent, Mr. Bennett said be issued at the weekend. Tube fares would have to go
It was unlikely that fuel sup- up by more than 20 per cent Tube fares would have to go plies for public transport would this year. A 71 per cent in-present special difficulty, but crease will take effect on the Government would watch Sunday and a special 121 per the position closely. Further cent rise is proposed for Sep-

Mr. Bennett said if LT was
Mr. Fowler said later that to settle the unions claim for
the Government was not party rises of 17-20 per cent it would
to the dispute but it had a cost a further £20m a yrar,
responsibility to the people who probably adding 10 per cent to
lived and worked in London.

Scots miners want 60%

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SCOTTISH MINERS yesterday criticism of the Government put forward a new wage claim and of Mr. Joe Gormley, the of £140 a week for face work moderate president of the ers, backed by industrial action NUM.

Mineworkers in Dundee, which also called for a return to the old annual settlement date of November 1. If met, this would give the miners two pay not pursuing a vigorous wages ncreases this year. The proposed claim will go forward to the full national con-

ference of the union in Jersey next month, where it is likely to be considerably watered down. Although the £140 figure—a 60 per cent increase on present basic rates—has been supported by other area conferences, it is failure to reach last year's claim of £110. It would not command support from the pits. Scotland is traditionally one

if necessary.

The demand was made unantmously by the Scottish conference of the National Union of
Mineworkers in Dundanten frey Howe had increased infigtion by half at the stroke of a

pen.

"Workers who are misled into suicide and in consequence will have employers laughing all the way to the bank," he said. Moderates in the union would

be making a serious mistake if they believed that miners would settle this year for £6 or less extra a week.
Mr. Alex Timpany, from

thought by many in the union Barony Colliery, criticised lead-to be unrealistic in view of the ers of the union who were paid more than £140 a week. He said they drove "James Bond cars," but were content to compromise on pay claims while thousands of the most militant coalfields. of miners were desperate finan-Delegates were scathing in their cially.

Engineers' council welcomes union's bid for endorsement

BY ALAM PIKE LABOUR CORRESPONDENT

THE Engineers and Managers clear that both ASTMS and ingwar to represent professional Association remains the only TUC-affiliated union which the Council of Engineering Insututions is prepared to endorse as an appropriate organisation to represent professional employees in private industry.

However, the council says in a report published yesterday that "circumstances are changing" and acknowledges that two other TUC unions — the Association of Scientific, Technical and Managemal Staffs and nical and Managerial Staffs and TASS, the white-collar section of the Amalgamated Union of Engineering Workers—are making efforts to make their organisations acceptable. ASTMS had indicated that it

was able to meet professional requirements and TASS had negotiated an agreement in the private sector which included the protection of all profes-sional obligations of chartered engineers, did not impose a closed shop and gave them an autonomous bargaining group. The report says: "It is impossible at this juncture to state. The EMA and TASS are at least recognised that T any definite policy but it is present entrenched in a recruit a suitable organisation.

the first street to be

TASS are anxious to be able to employees in the engineering accommodate professional people on terms that would be fully acceptable to their chartered bodies."

Yesterday's report from the council updates one published in 1976 in which it came out in The two non-TUC unions

which the council says meet its criteria with the EMA are the United Kingdom Association of Professional Engineers and the Association of Management and Professional Engineers are the Association of Management and Professional Engineers are the Engineers and the Association of Management and Professional Engineers are the Engineers and Professional Engineers and Professional Engineers are the Engineers and Engineers and Engineers are the Engineers and Engineers are the Engineers and Engineers and Engineers are the Engineers and Engineers and Engineers are the Engineers are the Engineers and Engineers are the Engineers are the Engineers are the Engineers and Engineers are the Engineers are the Engineers and Engineers are the Engineers and Engineers are the Engineers are the Engineers are the Engineers and Engineers are the Engi Association of management and Professional Staffs. There are, says the report, "desirable restraints on strike action" in the EMA rule book and the union recognised the value of a code of conduct and the need for professionals to which but it fessionals to abide by it. But while only these three

unions met the council's criteria it did not take an exclusive view. We are ready to put any union in the same category that shows a proper regard for the special position and needs of professional people in private industry and that is so organised and so conducts its affairs as to meet the criteria laid down by CEI."

favour of professional engineers taking up union membership. It remains the council's view that this is desirable. "There is now

a growing need for professional engineers outside the armed forces to consider joining an appropriate trade union even though at the moment many of them still feel otherwise." Ideally the council would like to see one strong union for all professional people in private industry. This recommendation was welcomed yesterday by John Lyons, general secretar the EMA, who said his union very willing to help bring about and that it would " doubtedly happen within foreseeable future." Mr. Ken Gill, general sc. of TASS, said that the

second report was an

ment on the first in t.

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MAINTENANCE

Predicting when a machine will fail

IN THE opinion of IRD areas of interest and conduct Mechanalysis, U.K. industry has spectrum analyses, yet to wake up to the electronic A simpler machi methods that are available for assessing the health of expensive rotating machinery, describing the losses caused by surprise machine breakdowns as "staggering."

Apart from planning a series of seminars for senior production and engineering managers to get the message across, the company is also introducing two new equipments which "listen" to the sounds made by the moving parts. The acoustical signature of the machine can be established when it is known to be in good order, any later deviation indicating a possible

The more comprehensive of the two machines, model 840, is a vibration analyser and dynamic balancer. It has liquid crystal displays of the frequency and amplitude derived from a transducer fixed to the machine under rest, a real time octave band display which shows the amount of energy present in each of 14 octaves over the vibration band of frequencies. and an output for connection to a chart recorder.

After taking a quick look at the total energy on the disning. More from Bumpers Lane, the engineer can "home in" on Chester CH1 4LT (0244 374914).

A simpler machine, the 810, can be easily held in one hand while the transducer probe is placed in contact with the test machine using the other hand. Thus, a quick check can be carried out for vibration, unbalance or misslignment or. in another mode, the unit will detect bursts of "spike" energy given off by defective gears or bearings. The instrument has a simple meter on which displacement, velocity or acceleration can be read; weighing only 2 lbs. it has outputs for oscilloscopes, recorders and analysers.

IRD says it has found that too many production executives still subscribe to the "breakdown maintenance method—that of practively walting until com-plete failure, product waste or inefficiency forces a shutdown, Others conscientiously dis-mantle and inspect their machines at intervals, yet this is also wasteful says the com-pany, since "it is impossible to predict what the correct intervals should be." The only answer it concludes, is continuing detection and diagnosis.

Skimmer will handle industrial routines

group of companies, has released hasis, unattended. Dependent on details of a low-cost oil skimmer. the type of oil spillage, up to latest member of the Kebab 600 litres per hour of oil can be skimmer range.

Centre. Sunbury on Thames, following extensive discussions and trials with water authorities

minimum amount of free water pick-up.

Weighing less than 12 kg the and industry, this skimmer has 600 is constructed from welded been designed to recover floating marine grade aluminium with

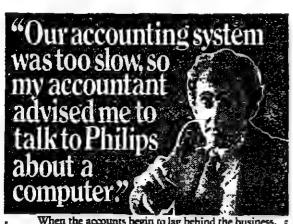
ing unit which operates from a can be operated by relatively 12-volt supply and will run for unskilled labour. over 20 hours off a 12-volt battery before recharging.

The system works on the rotating disc and scraper prin-

oil on a routine basis, or from stainless steel discs. Main-accidental spillages. tenance and spares requirements Rebab 600 is a compact float- are minimal and the skimmer

Vikoma International, Crest House, 39 Thames Street, Wey-Weybridge London W1 (01-439 7808), but Surrey.

VIKOMA INTERNATIONAL of ciple which will remove floating Weybridge, member of the BP oil from water on a continuous removed via a hose to a suit-Developed at the BP Research ably sited container, with the



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themselves time and again. If you want to make the most of today's computers, talk to Philips first. You'll find we talk your language.

Computers that talk your language



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O SERVICES

CDC expanding European support

centres to the existing CDC graving fixer than for any fast high-level international other sector of the company's communications network. Con- activities. trol Data Corporation disclosed Two types of service offered in London this week that its are the Call business-oriented total spending in Europe so service implemented largely far on component and structure on IBM CDC Omega plugbures to set up service coreplexes, and links to them, Cybernet, using essentially CDC amounted to \$35.5m with a mechinery. This last service further \$10m to be spent up to the end of next year.

This will bring the total amount invested by the comof service, together with the training of operators and users. to well over \$350m and to over \$1bn worldwide.

Continued heavy investment on the services side has been made possible by a marked improvement in the company's finances with profits in 1978 up 42 per cent to nearly 896m. Of this \$41.3m came from combusiness, more than

PROCESSES

SOLIDS can be removed from

a wide range of liquids using a new contribugal clarifler from Bennett Guest, 6. Vigo Street.

a particularly important use at

the moment lies in the reclaim-

ing of cutting oil in muchine

there are still many shops, some quite large, that throw their

used cutting oils away in some

line with all other oil products. Bennett Guest's latest machine

costs about £2,000 and in one

recent case says the company.

this sum was recovered in five

in the UK.

According to the company

Oil cleaned for re-use

cases incurring easts of 210.000 or taken from machine sumps.

to 220,000 a year. Furthermore, The machine uses a bowl of current costs of about 50p a special shape trather like the

litre are likely to increase in re-entrant glass bottom of a

Don't le

a little tear

Last year one of our customers despatched 20,000 CarrySafe woven

plastic sacks full of seed. Unlike the sacks

he used before, not one of them burst. And for every one that didn't he saved nearly £20. Bursting is just one way that costly products can be lost on the way to market. Another is the tirry tear that grows into a long split and spills the contents - and your profit - down the drain. But woven plastic sacks won't allow little heles to

Like the rest of the Bowater range of paper, paper plastic and woven plastic sacks, the CarrySafe was thoroughly researched. Although that's no more than you'd expect After all, our range of heavy duty sacits is the largest and most advanced

If you think damaged sacks are making a hole in your profits, call us. We'll

soon put a stop to your problem.

ANNOUNCING the connection double the 1977 income, Profit wanted journal of technology, of three of its European data from services in Europe is it is being offered to companies

compatible equipment, and other program suites.

One of these makes it possible pany in Europe in all its forms to carry out time, resource and cost analyses with up to 8,000 activities and 12,000 relation-ships, something that only the very largest multinational companies could afford to work out with their own programming

One of the data bases mainiained by the company— Tecnotec—could be described best as a form of international round the clock "for sale and

of particles without the use of

filter cartridges but does not

Applications are numerous.

With grinding coolants for example the unit will remove

sludge generated by the mater-

ial being ground as well as

A further application is with

The machine uses a bowl of

screw machine cutting oils that

have been reclaimed from chips

wine bottle) which is spun at high speed to induce accelera-

tions of over 1680G. The fluid

is pummed in at the top while

the sludge accumulates near to

the bottom and clear oil over-

flows from the rim.

take out oil additives.

witeel particles.

everywhere, both as a source of information and as a means of gaining very fast dissemination of new product and process

The company has put in at a number of European locations some of the largest machines now available for scientific and engineering work, but at the same time it has not stinted on recruiting and training the best available analysis and computer scientists. This is a deliberate policy based on a belief that however powerful the machines. people and their brain-power will in the end dictate how well equipment is being used to serve the scientific and business

communities around the world. These moves and the exist-ence of 39 major machines in strategic locations from Stock-holm to Tokyo underline the CDC strategy for progress in the computer business where in the past—due partly to its brave

A This is the latest flexo-

a single web.

innovations on the very large machine front—its fortunes have often looked bleak.

In another area, long-term planning of resources, CDC data services are helping the Dutch Government to plan two new cities—Lelystad and Almere being built on reclaimed polder land in the Zuider Zee project, close to Amsterdam, They will ultimately have a combined population of 350,000 and are being planned in such a way as not to become just another overspill area for Amsterdam. Probably a key element in the

company's services is the communications array which makes use of 9,600 b/s channels with two satellite hops to span the world. It is returning reliability of over 99 per cent and has capacity to accept up to 4,000 simultaneous users.

Further from CDC, Control Data House, Shaftesbury Avenue, London WC2. 01-240

. ENERGY **Insulation** venture by RMC

THERMOBLINDS - the high insulation internal window shutters which aroused a great deal of interest when they were reported on this page last year -now come within the product range of a new company set up by the Ready Mixed Concrete

RMC Panel Products, backed with an investment of fim, will extend manufacture of the shutters which can be produced with cores of various types of required, and are claimed to be many times more efficient and cost-effective than double glazing.

A second range of products comes under the name of Rhombitex. This describes a variety of wood wool slabs manufacture of which also will be extended, for two reasons.

Engineering contractors to the oil gas chemical, process and power generation industries.

> One is that their production does not demand a great deal of energy to achieve excellent insulating results. The other is that the main competition for them comes from petroleum-based products which inevitably must rise in price much more quickly than the raw materials for Rhombitex.

New forms of this panel are under development and the company expects to see demand for it grow to a point comparable with its use in advanced European countries.

RMC Panel Products. Waldorf Way, Denby Dale Road, Wake-field. 0924 62081.

e POWER

On standby in desert country

A FULLY developed prototype it expands into the carburettor. The set is relatively cheap, of a 25 kVA generator set that has been designed to work in low oil pressure and high very hot climates is now ready coolant temperature. for further exploitation at Keewest Developments, Totton By-pass, Southampton, Hants

(04216 3160). Known as the Rushington generator, the unit is powered by a derated Chrysler petrol engine adapted for liquid petroleum gas (LPG), in turn driving a Hawker Siddeley alternator, the whole completely enclosed in a glass fibre moulded acoustic cover lined with polyurethane foam. Under full load the set said to be no more noisy than a family car at idling specd.

An unusual feature is that the prime mover and alternator are not direct coupled—instead the engine is mounted somewhat above the electrical machine, with drive via a timing belt: a suitable ratio enables the engine to be run at op'imum spend for fuel economy and long life.

A further advantage of mounting the engine thus is that cooling of the two elements is separated.

For the engine, a tropical graphic printing machine to be four-row Serck truck radiator is produced by Siat Packaging used in conjunction with a Systems of London, SE14. It powerfui fan in a moulded cowi that concentrates the airflow can print in three colours selfover the ducted exhaust maniadbesive labels and tape at fold and out through louvres. speeds up to 140 metres a This flow is completely separate minute and print from two or from that used to cool the three stereos simultaneously on alternator.

of evaporation of the LPG as amounts of high pressure gas gas pressure reduction systems.

Reewest also asserts that since a relatively large amount of energy can be stored in a reasonably large gas bottle, it is not difficult to instal a gas system that will run the set continuously for 50-100 hours.

not be run for long on petrol due to fuel storage regulations.

The company, which has only limited manufacturing capacity, is willing to discuss licensing arrangements. More from the managing director, Mr. G. West.

MATERIALS Panel stands weathering

COMBINATION OF water and not a separate laminate, it canplywood hardwood weather resistant not part from the plywood base. (made of tropical veneers bonded to withstand moisture in high-hazard exterior infill panels, for use in boats conditions) and glassfibre rein and shipbuilding and through conditions) and glassfibre reinforced polyester has resulted in a new type of sheet material, made by Dutch company Bruynzeel, and marketed now in the UK by James Latham (Northern), Longlands, Ossett, West Yorkshire (0924 276111).

Surface of Montaplex is colour fast and because it is and shipbuilding and throughout the construction industry, it is having initial success for advertising signs and shop fronts, says the company.

Latham will be showing the sheet at Interbuild at the National Exhibition Centre, Birmingham, at the end of this year.

Long life gas valves

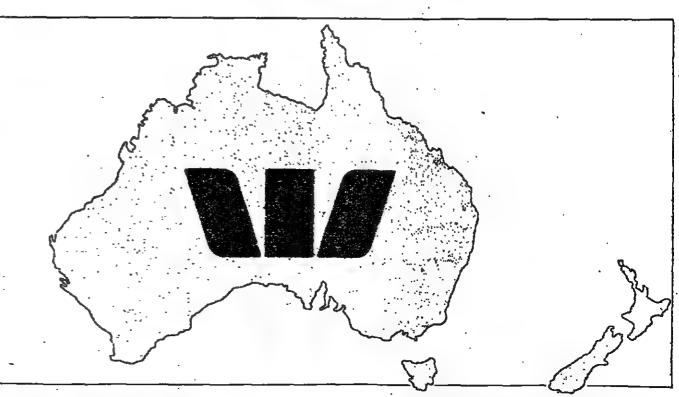
pany of Kingston By Pass, Surbiton, Surrey KT6 7LY (01-397 5272).

A RUBBER compound which is and retains its physical characclaimed to make gas valves teristics despite the high temmore durable is now available peratures created by moving from the Andre Rubber Comto the speed of sound.

Developed for facias, doors,

The compound and an assoclated moulding technique were alternator. The compound, called developed initially to meet
The engine induction air is AW152, is virtually imperspecifications for applications
further cooled by the latent heat meable, it absorbs only minimal in regulator valves in natural

EXCHANGE CONTROLS

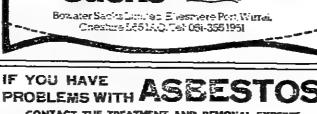


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THE PROPERTY MARKET BY ANDREW TAYLOR

Auctioneers really busy again

a resurgence of activity in the commercial property auction middle market property that market with auctioneers hammers being kept busier than at auctions recently, says that the any time since the property number of lots at its individual

Leading agents such as Healey and Baker and Jones Lang Wooton are making a concerted effort to re-enter the auction scene from which they have the second se certed effort to re-enter the ln the past six months auction scene from which they have been mostly absent since sales of some £7.5m from auc-

demand for auction selling has year of 1973. mainly restricted to smaller secondary shop and resi- managing partner and responsdential properties and has not able for auctions at Healey and spilled over into the prime Baker, says: "We are increas-

again prove attractive in a as open as possible. Also once market where too many buyers the auctioneer's hammer has

are chasing too few sellers.

In the past two months
Mealey and Baker have held

Sounded there is no pulling out of the deal.

This has obvious advantages Jones Lung Wooton which had held only one auction since 1973 have had three in the past 12

buyers and sellers has been good and that prices have generally performed better than exported and there have been cases where reserve prices have not been surpassed.

973. tions compared with £200,000 But so far the marked lift in last year and £10.2m in the peak Mr. Paul Orchard-Lisle, a

property market ingly advising clients to put
This is in marked contrast to
the boum years of the late 1960s has a number of advantages and early 1970s when regular over private treaty selling."
auctions of medium size He argues that in a buoyant properly took place. Healey and market sellers are much more Baker, however, believe that likely to get the best possible this type of transaction could price by making competition

three auctions and a further two over private treaty deals where are planned for July, while either party can pull out of the transaction at the last minute, making it easier for back-door gazumping.

The profile of the property

Both report that demand from market, however, has changed uyers and sellers has been radically since Healey and Baker was last involved in any strength on the auction scene. And the major institutions which now dominate property investment will be reluctant to

accept the re-emergence of Jones Lang Wooton, Marks & auctions at the top end of the Spencer paid £2.15m to acquire

Institution; such as the pen-sion funds and insurance companies are notably secretive about their deals and would undoubtedly object to the un-avoidable publicity which would surround a major auction.

Equally sellers would have to be convinced that sufficient bid successfully at auction for buyers would be prepared to two separate good class shop attend an auction and that the lottery of selling in this fashion not rebound on them-

units prepared to go to auction. there was no reserve price much At a recent auction held by above £1m,

half of the head lease of its offices in Baker Street, while at the same auction £1.5m was paid to acquire a mixed office and retail development in Charing Cross Road.

Equally, Allsop reports two cases where institutions over-came their natural shyness to two separate good class shop properties in Weston-Super-Mare and Crewe.

But generally auction deals although the striking of a have tended to be small, al-reserve price does provide some though growing in number. At

Commercial rent values boom

COMMERCIAL rental value have risen in the last six months at a first half of 1979 has been faster rate than at any time since the 1973 property boom, with and November last year. the retail sector continuing to

The picture is painted by the latest Investors Chronicie— Hillier Parker rent index which shows that the annualised rate of rent growth now stands at nearly 23 per cent compared with just 9 per cent 18 months ago and under 3 per cent in early 1977.

The index makes the point that the rate of inflation has also speeded up in the last six months and when this is dis-

ushion. the first Jones Lang Wooton In spite of some sales resistauction, 12 months ago, no uce there have been signs of reserve price was above ance there have been signs of reserve price was above sellers of at least some larger £100,000, while at the second

According to IC-Hillier Parker, rental growth in shops has continued to make the pace—with a 27 per cent annual rate achieved in the first six months, almost identical to the previous halfyearly period. Only in the south east and suburhan London have values grown faster in the last six months, with increases running at an annual rate in excess of 30 per cent in places like Brighton, Newbury and Guild-

Doubt over Brent Walker plan

BRENT WALKER'S plans to convert the former Debenham and Freebody department store in Wigmore Street, London, in regulare Sireet, London, into a five-star 160-room hotel may be running into problems with Westminster council.

Although the leisure and

property group has still to seek official planning permission, informal discussions have been held, and initial signs are none too hopeful

The council has already said that it is generally opposed to further new hotel development within its boundaries and is also concerned about the loss of a retail outlet.

Brent Walker agreed to pay about £3.5m for the store, and planned to spend a further £8m on development and conversion, but the deal is subject to permission granted.

IN BRIEF

Grosvenor Square Properties is to develop a £2.5m office-retail scheme in Ballards Lane, Finchley, Funding is from Royal Insurance.

 Rediffusion, the television rental and computer group, has sold its office building in Hong Kong for about £6.7m to Hutchison Properties.

Brake on Mersey Dock deal

THE FIRST impact of the would take place until the full Government's decision to wind implications of the Government's decision to end the Community Land Act had been munity Land Act had been confirmed in this week's Budget -may be felt on Merseyside where the Mersey Dock and Harbour Company plans to develop 300 acres of derelict dockland.

It is understood that Merseyside County Council had reached a tentative agreement with the company to acquire a lease on the undeveloped South Dock

munity Land Act had been

Negotiations to acquire the leasehold on the undeveloped South Dock began after the County Council threatened to purchase the site under the

Several developments have already been proposed for the South Dock. These include a trade centre and office complex

prepared to ratify the deal with the council now that the threat of CLA has been removed, or look elsewhere for a better deal. Mersey Dock almost went bust

in 1970. It was only rescued after a capital reconstruction involving a 60 per cent write-down of capital and the issue of large amounts of loan stock. The first interest, at 10 per cent, becomes payable on this stock from 1995.

With pre-tax losses of £1.47m last year including redundancy

However. Sir Arthur Peterson, Mersey Dock's chairman, told stockholders at the company's annual meeting on Wednesday that no disposal to the riverfront at Canning Dock.

With pre-tax losses of £1.47m at Canning Dock, a leisure last year including redundancy payments of £2.7m, compared to develop a maritime museum on the company clearly appears to the riverfront at Canning Dock.

Investment prospects in Dublin

PROPERTY INVESTORS cast- in pre-letting within the Dublin future demand. ing hungry eyes at the spiraling market. prices for agricultural land in Ireland would do well to spare office space is due for comple-a glance at the Dublin office tion this year and by mid-property market.

Wootton reveals sharply increasing hungry eyes at the spiralling a growing shortage of prime office space—a situation which

rents for average accommoda-tion of about £5.25 a sq ft are likely to climb to £6 within the

next 12 months. imbalance betweep

About 225,000 sq ft of new

property market.

A survey of the Dublin be committed. In fact prospective tenants are already negotiating for 25 per cent of the 300,000 sq ft of offices due to be completed next year. Jones Lang says prime office

looks like continuing until at properties have slipped to 6 per least the end of 1980. cent with the increasing The survey forecasts that strength of market yields and " are poised to fall still further because of the weight of pent-up demand and the shortage of

buildings for sale." The agents, however, strike a demand and new development cautionary note about some of tinued growt has led to a significant increase the development plans to meet office market.

BEDFORD

Warehouse/Factory Unit Last remaining new unit

HOCKLEY, Essex

8,500 sq. ft.

20,000 sq. ft.

"There appears to be assumption that this new phase will bring a return to condia ready market for any building they care to run up. Such a founded now as it was in the years prior to 1973."

In the long term Jones Lang see the continuing development of the Irish economy set against a background of large numbers of ageing office buildings and the need to provide better accommodation for both home grown and overseas workers as future bull points for the continued growth in the Dublin

(K) for Industry

nsi OFFICES & INDUSTRIAL

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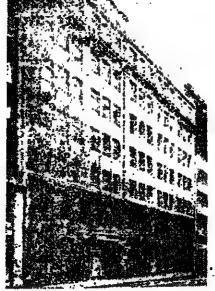
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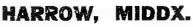


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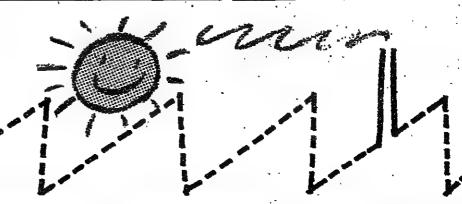
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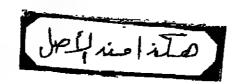
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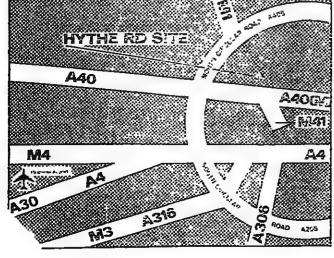
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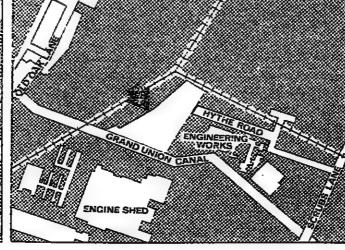


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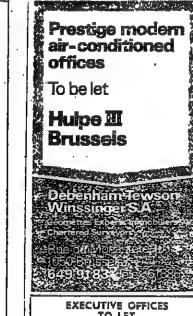
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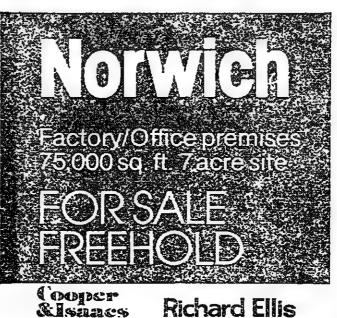


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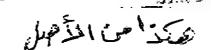
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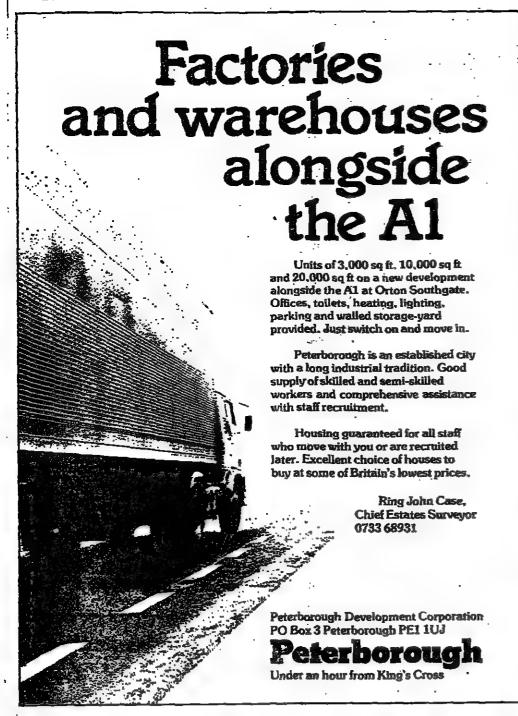
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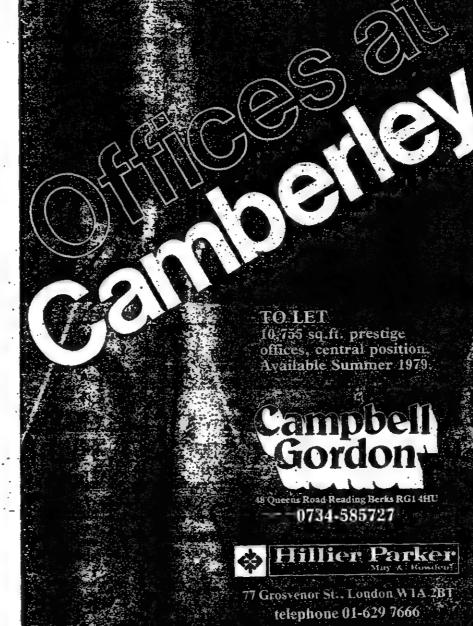
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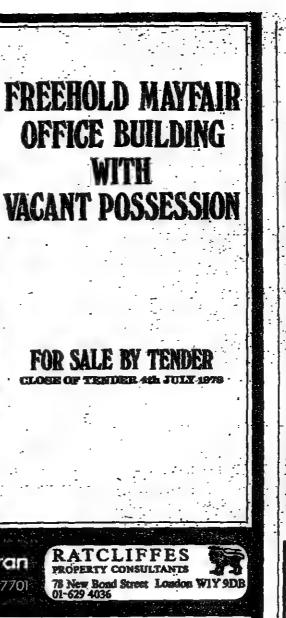
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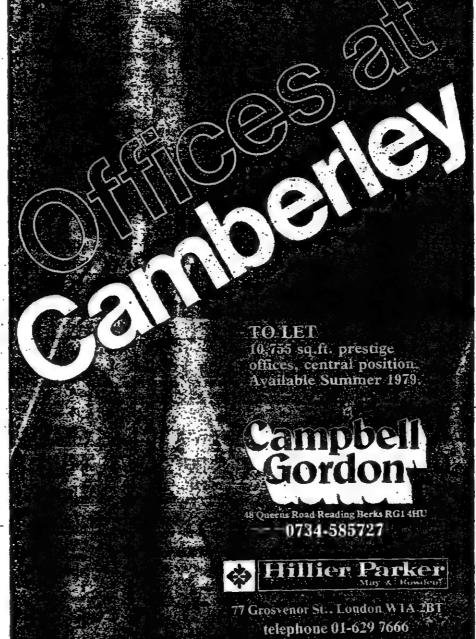
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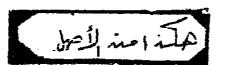
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FINANCIAL TIMES SURVEY

Friday June 15 1979

pipelines

While world-wide markets for pipes and tubes offer little hope of a sizeable upturn in demand, European manufacturers are now facing fierce competition with cheaper pipe imports from new plants in developing countries. Forecasts of pipe usage by the oil and chemical industries also remain depressed, influenced, in part, by energy saving campaigns.

European market under attack

By Roy Hodson

EUROPEAN PRODUCTION of pipes and tubes is now running at between 75 per cent and 80 per cent of the available capa-city. That cannot be said to be an encouraging performance at a time when business is generally improving for steelmakers after four difficult years. What is being reflected by the sluggish sales of European-made pipes and tubes is the growth of fierce competition in inter-national markets from steel companies which have invested

in new plants in the developing As the steel recession fades, many of these new producers are building up their sales for the first time. They are making their presence felt in a particularly acute form in the Euro-pean pipes and tubes market. Imports into the EEC market

from the East Bloc producers.

the jargon they are "first transformation products." That European nations, means that they have not fallen within the control of the steel industry management and diver, followed by Delmine of reconstruction plans organised likely (holf-owned by the State steelmaker, Itals:der), and reconstruction plans organised by Viscount Etienne Davignon, the Duropean Industrial Co.n-

Despite appeals from the European Tube Makers' Association, representing the EUC producers, Davignon has not been able to bring their products into the fold.

The best they have been able to obtain is some relief from pressures from chesp imports through the bilateral our-worden's arranged between the EEC and third countries selling steel into the EEC. Under thuse agreements arranged by Davig-non discussions can be opened if trade in first transformation products increases significantly. World-wide markets for pipgand tubes held out little hope of a sizeable upturn in demand. Forecasts of usage by the oil within the corporation. It is industry and the chemicals manufacturing at a rate of industry remain depressed, up to 960,000 tonnes of pro-influenced by the energy saving duets a year, of which some inducated by the energy saving campaigns. Neither is there much indication of growth in the usage of pipes and tubes in and constructional eccineering.

The makers do not fear a relapse into recession this year or next. But they do not hold facilities, out much hope either of a con- During

steelmaker, Italsider), and Vallource of France. The British Steel Corporation ranks as the fourth largest EEC pipes and tubes insker.

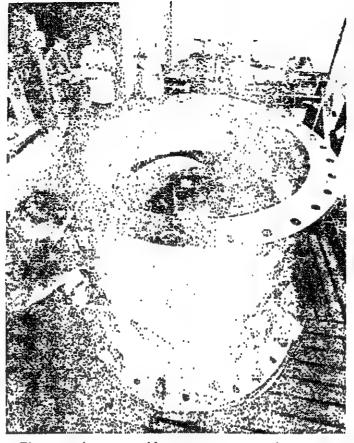
Exports

Those companies are used to emporting up to half of their production. British Steel is now experting about a third. It would like in concentrate more upon the home marks. But, agola, there is a shortage of business. The North Sea oil business. The North Sea oil and was fields are no langur obsorbing big tonnages and British Steel is having to sell hard abroad to keep its position. in the pipelines markets.
The Tunes Division of the British Steel Corporation

operates as a separate entity 800 000 tonnes is made at the division's main plant, Corby, in Northemptonchire. The divi-sion clso has two works in the Midlands, three works on Tees-ide, and the Clydesdole works in Scotland, plus some small of

out much hope either of a consistently higher rate of ordering of their products.

During the disastrous car of 17770 for BSC as a whole, when the corporation lost a



The prevof a range of low pressure secretion steam check values under construction for the power industry at the peyful of Deprended and Co., in Eksimersdale, Louis,

and Spain have been posing special problems, while South African-made pipe is being sold in Britain.

The difficulty facing European producers is that pipes and 19m tonness. Unlike most pean producers is that pipes and tube makes are regarded in the EEC as products made from steel.

The difficulty facing European producers is that pipes and tube makes are, by problem by proposing a drastic a year could be saved on the production at a form and tube makers are, by problem by proposing a drastic a year could be saved on the open low-cost at Corby on a new electric weld as products made from steel.

iron are from its new 10.000 stretch teducing mill. British hand if the corporation really tonnes a day blast furnace. Ting a Steel believes that customers wants to get into the camp of proposal is to send semi-finished will increasinely prefer tube law macan doned market of squesteel made at Teesside down to and paper made in this way macane populate. Corby for pipes and tubes prospectually of the line and constitution of the proposal is to send the proposal increasing the send of the law and constitution of the proposal is to send the proposal duction. The corporation sistent quality, believes that savings of that British Steel order are possible in spite of

So far, the unions at Corby have resisted fiercely the concept of closing their from and steelmaking plant. They esti-mated that up to \$,000 jobs would be lost, either directly or indirectly.

transportation

The Corby works was developed in an area without a tradition of iron and steelmaking in order to take advantage of local deposits of ron ore. As the British Steel strategy has developed tof importing rich foreign ores to coastal steelworks), the Corby fronmaking, based upon a low quality ore, has become steadily

less attractive. But even if Corby loses its iron and steelmaking-and much argument can be expected before a decision is made—the plant is to continue as British Steel's main pipes and tubes production plant.

The plant is producing big tonnages of continuous welded ipes and square section tubes for use in construction and for gas and water applications. The continuous weld plant there can make 515,000 tonnes a year. The Corby plug mill makes pipes from solid bars and has

Bratish Steel has been criticised in the past for not making and tubes mades. In the one established by the pupeline. Large it is indicating the removal quantities of pipeline had to be imported at one period during the reput expansion of the North Sea oil fields.

The corporation is still showing some ambivalence about entering the submarine pipe-line morbet. Meanwhile, it has invested nearly \$40m at Clydes-date on pipe finishing fredities and has also made a heavy mvertinent in the enhancement to expend its facilities for of its 44in pipe mill at making dataly rich pipe. Hartlepool.

The Hartlepool mill has now been improved to the point that it would require only one small further investment - a tack welder - to enable BSG to make submarine pipeline.

Decision

The factor governing the eventual decision whether or not to enter the market will be the availability of plate as the raw material for the hig-inch

a year and 2m tonnes a year multicular to accept tonnes a year, were shelved last year at the time of the halving of BSC's investment plants from fibra a market users instead of year to £500m a year. That mill was designed primarily to feed the big pipe mill.

snow consultable devolute in us altitudes towards the upper If its increasing the rapper of restaurant paper of produces at Stanton Worse, most National thand in response to demonstraspan grow poses for easily at Voiler distributions.

Expansion

Alay Crass then and god . drace, a preside seror con-pony, is about the domestime give.

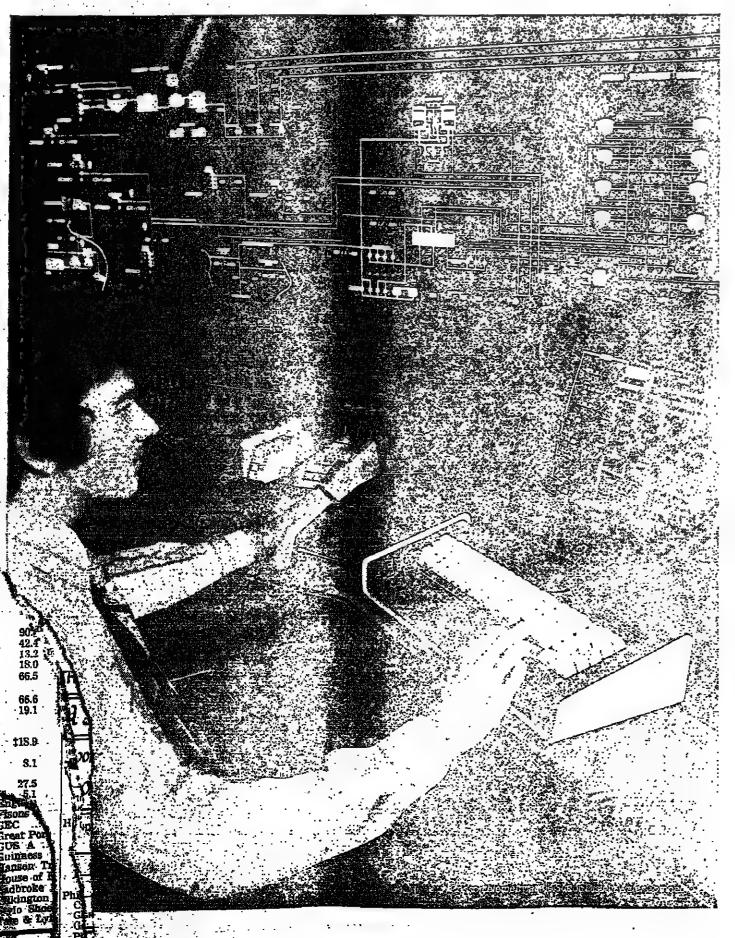
Plastic pipe to better given attention by Stevents and Lloyds Plastics, of Humanidae which is part or the BS-1 tale . Division A new plastic papunder the trade name Pesale. Is now in production there as a Cheaper allomative to copper. It is made from a speciallyformulated cross-linked paly-ethylene material which has abnormally good resistance to high temper, tures,

In the private sector of British pipes and tubes capacity is being mere sed by the fast growth of the Natural Gas pipeline.

British Steel's plans for a Tubes plant at Tredegar, South water a capacity of between 1m tonnes to a capacity of between 1m tonnes to according to ac

But imports remain probably the big pipe mill. the biggest single problem. One view within the corporation is that the plate could be tubes producers. They still made available from various account for more than 10 per BSC works in England and Sect-cont of EEC consumption.

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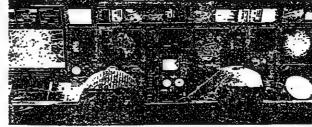
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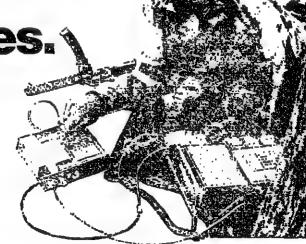
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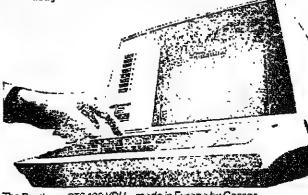


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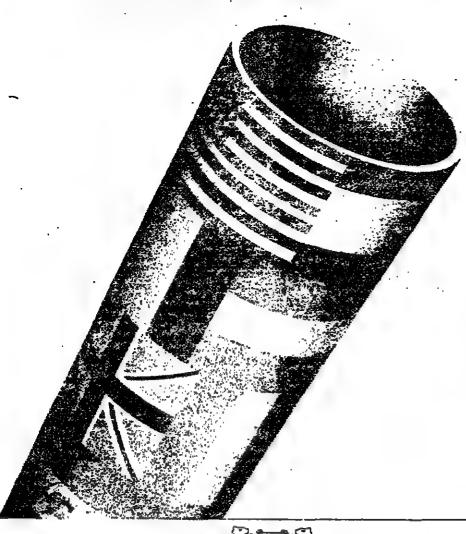
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flow of new ideas and products. These range from the British Steel Corporation's major investment in facilities to produce velded steel tubes for use in the building and engineering industries, to the increasing use of plastics in an everwidening range of products.

At the same time there have been startling innovations in offshore technology, where ICI has played a major part in providing polyethylene coating for pipelines, a technique perfected at an opportune time in view of the vast number of pipeline projects under way all

over the world. Looking first at British.
Steel activities, heavy investment is in train at Corby to take advantage of technical advances in the production of welded steel tubes.

The new plant will have an annual capacity of about 250,000 tonnes of rectangular and round structural hollow sections and other round tube categories. Together with an existing plant it will have a total capacity of about 500,000 tonnes a year. Finished sizes will be pro-

ing from strip, and welding into tube by a high-frequency induc-tion welding process. The thickness range from the new plant enables round tubes up to 12.7mm to be produced.

equipment for seamless pipes, with a recent sale of such systems to Japan. The on-line system was developed at the BSC's Corby research centre and used at the Clydesdale works in Scotland.

Japanese order.

Another development at the Stanton and Staveley Works, costing £18m, will put the corporation at a technical advantage in the production of large-diameter ductile spun pipes ranging from 900mm to 1600mm and up to eight metres long. It will be capable of making 55,000 tonnes of pipe annually.

It will include in-line coating and cement mortar lining, with the finishing and coating line controlled, by computer. Mechanical handling will be employed throughout and the finished pipes will be delivered automatically to the pipe stock-

Molten metal for the plant will come from the adjacent central melting plant via a new electric furnace of 100 tonnes capacity which will also act as a reservoir to improve the metal supply at Stanton to other consuming upits.

In response to increasing demand from customers for high-quality carbon and alloy tube for power generation, the rporation's plant at Bromford has installed advanced desurfacduced by hot-stretch reducing ing equipment which has proved from a basic hollow, made on successful in meeting world-the primary mill by cold form-wide quality requirements wide quality requirements.

Among the many new techniques BSC is employing to

improve product quality, are new practices adopted at Corby to improve the standard of steel cleanliness in the electric BSC's tubes division has also furnace. To monitor the success managed to gain additional of various techniques, a new profit out of ultrasonic testing instrument, the Cambridge Instruments image analyser, has been installed. It is designed to make rapid automatic measurements of the dimensions of features in samples that can be

novel polished samples of solids such companies, a special grade of

BSC has also been active in the development of plastic pipe for hot and cold water and central heating installations, through Stewarts and Lloyds Plastics of Huntingdon, part of the tubes division. Only by the use of cross-linked polyethylene (two kinds combined) was the company able to produce pipe which would stand up to the

conditions.

used to line gas mains which have seen long service. Nearly 3,000 metres of 400mm and 500mm pipe has been fed into existing mains in three different parts of the country.

Confident

This has extended the life of the mains at minimum cost and avoided extensive excavation of old pipe, and the company is confident that the technique will be widely used in future. In the North Sea market, where BSC has been criticised for not producing submarine

pipeline, the corporation has made up in the supply of tubular products, claiming to be ahead of all the others put together in terms of value of products supplied.

Casing to line the wells is produced at the Clydesdale works in Scotland, while tubing to bring the oil or gas to the surface is produced at Corby. Development work, to improve products and produce new ones to meet the special needs of the nd used at the Clydesdale viewed by microscope. oil market, is carried out at the vorks in Scotland. The microscope uses reflected. Tollcross laboratory.

The test head on the system or transmitted light so that both In conjunction with the oil

The company's decision to

make hollow section tubing fol-

Although the company is pro-

ducing a range of products which is small in tonnage terms

(despite 100,000-tonnes-a-year capacity) it does not compare badly with British Steel's output

of around 850,000 tonnes a year, considering the short time it has

By keeping overheads down

to a minimum, allowing flexi-bility in volume of output, NGT

has proved that there is not only

room for the existing private

sector companies but for new-

work for vehicles.

been in operation.

wide patent rights, and Ferro-bent, a Northampton precision engineering company, was sub-contracted to work on the Japanese order.

Sea have been very extensive despite a relatively slow start

in that market, although 113 booming sales of polyethylene coatings for pipelines is a world wide phenomenon. One of Europe's biggest pipe coating companies, Key and Kramer of Maassluis, Holland. reports growing interest in low-density polyethylene coatings for both offshore and onshore

conditions.

The new pipe, marketed under the name Pesalex is the result of 10 years' research and is suitable for constant working at 95 deg. C and intermittent temperatures of 125 deg C.

Stewarts and Lloyds also manufactures the largest diameter polyethylene, pipe made in Britain, which is being used to line gas mains which

Alkathene powder which is then turned into polyethylene and coated on to the pipes, is regarded as an important innovation at a time when there is increasing emphasis on preventing corrosion and damage.

Key and Kramer says that despite a cost premium for this type of coating, demand is rising steadily. In 1977 only 15 per cent of throughput was rose to 30 per cent last year.

The system is expected to be

pean land pipelines now under construction or planned and will also be used in conjunction with a concrete layer under-neath on the Italy-Algeria undersea gas pipeline. Steel Mains of Australia has recently coated 38 kilometres of

114 mm diameter submarine pipe for Esso, shortly to be laid in the Bass Strait. The line is to carry natural gas from the Marlin Field to operate turbines on offshore platforms. With little worldwide competition, ICI is in the fortunate position of being one of the few

suppliers for a growing world market, although developing the product and marketing it have not been easy tasks. As with other new technology related to pipes and pipelines, it had first to be proved in a very, exacting market before demand really took off. While

it is essential for the industry as a whole to maintain R and D much depends on having the right product at the right time. Plestic Coatings of Guildford

also reports considerable suc-cess with its Duraguard fusionbonded epoxy pipe coating process, particularly in its work for British Gas, and in the North to double in volume in a year

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lows its increasing use in the U.S. to replace sections and conventional tubes. It is being bought mainly for uses Tough, Safe, Diverse... in machinery construction, materials handling and frame-

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The Brent pipeline system is one of the great feats of underwater engineering in the history of offshore oil opera-

On the Brent complex of pipelines, operated by Shell-Esso, Comex performed no fewer than 25 pipeline tie-ins

and three pipeline repairs.

The advanced hyperbaric welding techniques and sophis ticated underwater engineering technology - pioneered and executed by Comex - were vital in bringing Brent oil ashore.

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Market shows few signs of growth

DESPITE WISHFUL thinking were reported to be increasing clearly been based on its ability. Sea. Materials for the process about UK market prospects, at the rate of between 7 and 10 to supply a UK produced alterboth pipe manufacturers and stockholders are generally agreed that there has been no recent improvement in demand; development now reduced to nor do they see any significant

change in the near future. The market remains very slack, with demand still around 40 per cent below the volume level of 1974. Foreign competitors appear to have main-tained some of the inroads made at that time when domestic suppliers were unable to meet demand.

According to stockholders one of the main reasons for the continued recession is the lack of orders from the oil industry which as a result of conditions in the world oil market has

delayed investment plans for refineries and related plants.
It is thought that until the
UK formulates a more definitive energy policy, particularly relating to the use of North Sea oil resources, pipe demand in this sector will remain poor, with continued under-utilisation

of existing refinery capacity,
Prices have remained extremely competitive and there has been some undercutting by European competitors, with Austria, Belgium and Italy pro-viding products at well below

average market prices.

It is felt that while the British Steel Cornoration (BSC) has chosen to abide by the provisions of the Davignon plan on prices, other European steel producers have not, allowing Continental pipe and tube manufacturers a competitive margin on their raw materials which they have passed on to

UK customers. In addition to this attraction. many buyers feel that as a matter of prudence they ought to maintain more than one source of supply (usually BSC which holds 70-80 per cent of the UK market) as a means of retaining a bargaining position on both price and quality.

Export prospects for the UK are similarly bleak, with much of Europe suffering from the same energy-related problems. The comparatively recent strengthening of sterling has not helped, forcing exporters either to cut margins or risk losing price competitiveness.

The heating and ventilating and construction side of the

tube and pipe market remains flat, with little change in the past year, and hopes for increased demand from the petro-chemical industry for stainless steel products have so far been

in vain.

Nevertheless, demand in this sector has been considerably better than average and al-though it remains small in comparison with the overall market, special product sales last year. Much of the NGT's success has

development now reduced to products. little more than a trickle, BSC and other manufacturers now have few markets of real promise given that expert markets other than in Western Europe are providing little encouragement

But this somewhat discouraging outlook has not prevented one of the more enterprising newcomers to the field, Natural Gas Tubes (NGT), from going ahead with plans for a major expansion of its plant at Tredegar in South Weles. gar in South Wales.

Production

This will almost double production from around 18,000 tonnes a year to 35,000 tonnes and the development will in-clude a new 21m pipe welding mill due to come on stream at the end of this year. Despite the fact that the com-

pany is in direct competition with BSC, and indeed provoked a protest from members of the Iron and Steel Trades Union Conference at BSC's Corby plant when the expansion was announced, it remains an increasingly large BSC customer, buying sheet steel for tube

The existing mill at Tredegar was set up with considerable financial aid from the Deparment of Industry and the European Coal and Steel Community, and help from BSC, and has played an important role in employing steel workers in a depressed area.
The success of the company,

founded by an Indian business-man, Mr. Swrai Paul, has been based on its ability to select a relatively small market area and concentrate on it. It has so far concentrated on the range from 60.3mm to 168.3mm gas and water pipes and square and rectangular hollow sections in

the same range. Under the development plan this range will be extended downwards to 15mm, and it is envisaged that by doing this the company can capture an impor-tant share of the market held mainly by imported products.

Output from the new mill which was envisaged as a neces sary part of the overall operation from its inception, is expected to be around 6,000 tonnes in the first year, rising slowly thereafter.

It is clear that when the

market finally does begin to improve NGT will be in a posiproducts and have spare capacity to meet considerable

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New applications for plastic materials

AFTER A longish period of of the restrictions which would up of the European market, sug-optimism about the price com- hinder further growth. gests that manufacturers are petitiveness of plastic pipes in UK and other markets, the recent oil price increases and the resultingly volatile naphtha fittings has grown by an average

thrown out of step with reality, ing and construction industries but as with previous raw directly or indirectly use more materials crises, this is likely to than 50 per cent of PVC condelay rather than change the sumption, of which one of the

fall in the real cost of raw fluences on building, materials, allowing them to Principal applications are make considerable inroads into for water mains, rainwater and markets where labour and other markets where labour and

developments, plastic pipe sales increasing market penetration, have developed strongly in particularly for cast from domestic uses, gas distribution replacement systems, water distribution, insystems, water distribution, in-dustrial installations and other areas,

Polyethylene, perhaps sur-prisingly, makes up a much smaller proportion of the

a year. Nearly 30,000 km of MDPE in diameters ranging from 30 mm to 180 mm have now been installed, providing duced in larger diameters. improved resistance to corrosion and reducing joint leakage problems.

Active

British Gas has also been active in the larger diameter range, fitting both high and medium density PE pips up to 500 mm in diameter inside iron mains which would otherwise have had to be completely

ment pipes now in plastic has risen to around 80 per cent, while around 85 per cent of service pipes - those actually carrying gas to houses or other premises—is around 85 per per cent.

There is little doubt that the trend in this direction will remain strong, as it has in European countries and the U.S., and that inevitable price increases will not have any great impact on demand for pipe of this kind.

Plastic pipe has also penetrated almost every other area of domestic use with such applications as underground drainage, rainwater systems, soil and vent pipes and many others, but in a few remaining applications there has been

and cold water distribution and the most demanding of all uses, central heating. Considerable progress has been made recently in developing materials which will withstand the rigours of high temperatures, but because of doubts about the life of the product it may be some time before it is widely accepted.

Despite the generally bright outlook for plastic pipes, Mr. P. F. McNally of Phillips Petroleum Chemicals warned at the Brighton conference in March that manufacturers could not expect the very rapid rates of growth achieved in the past to continue for ever. He pointed out that while there were advantages in plastics such as easier handling, transportation and simpler jointing, resistance to chemicals and normal stresses, there were

some notable disadvantages.
These included poor weathering resistance, a tendency towards brittle fractures under adverse conditions and the basic possible for producers and consoft nature of thermoplastics in sumers to co-operate to some

In recent years Western Euromarket have altered the picture of 12.7 per cent a year, with by far the strongest growth of nearly 30 per cent coming from made as recently as March this pipes conference have been it is estimated that the build-thrown out of sten with reality in and construction industries

course of development.

In effect plastic pipe manufacturers have benefited since
the 1973-74 oil crisis from a is on economic or political infall in the real cost of real

markets where labour and other sewage systems, and growth is costs were more important.

In conjunction with technical market areas, thanks mainly to

In the UK British Gas is thermoplastics pipe market thermoplastics pipe market than PVC. The application medium density polyethylene (MDPE) at the rate of 2,500 km fragmented than that of PVC. but probably has more potential because of extrusion facilities which enable HDPE to be pro-West Germany, it is pointed

out, has become the dominant thermoplestics pipe and fittings producer, accounting for a quarter of the total produced in Western Europe. A major factor in this growth has been the use of PVC in the water supply network, where some 60 per cent of installations are in plastics materials, PVC has been used in the UK national water supply network since 1958 and in Holland some 85 cent of the total plastics pipe in the potable water net-work is in PVC.

Mr. McNally, in his summing tests carried out since 1974, and

gests that manufacturers are unlikely to see the spectacular growth of the 1970-73 period repeated. Since then, he says, the growth rate has been drastically by several major

factors. demand as saturation point is neared, substantial price increases for raw materials and a general malaise in the omies of Western European countries. Public purchasing authorities have been restrained from spending excessively, while both the public and private building sectors have suffered a long period of recession in most countries, causing a serious slackening in demand for pipe-

Influence

A final recessionary influence is seen in the general decline in the export market within Europe, where formerly deficient countries have built up their own domestic production capacity and themselves entered the export market.

Promising areas for future sales are seen as solar energy systems, involving the use of plasticised PVC, low density polyethylene and polypropylene pipework, and hot and cold plumbing which would generate sales of approximately 12-8 kg of pipework per household.

In the context of future demand for large diameter pipe, new developments in pipeline transportation by hydraulics or pneumatics also look good. Considerable research and development is now taking place to develop pressurised slurry lines for coal transport, iron ore, clay and limestone.

The advantages of cross-linked polyethylene in domestic water years at the top end.

New materials are continually it is likely that this performance will be considerably improved on, as will have to be the case if it is to be marketed success

The advantages of the produc are considerable, in that cor-rosion resistance is far superior to present systems, maintenance costs are lower, it is more flexible and weighs less and is likely to remain very competi tive in price.

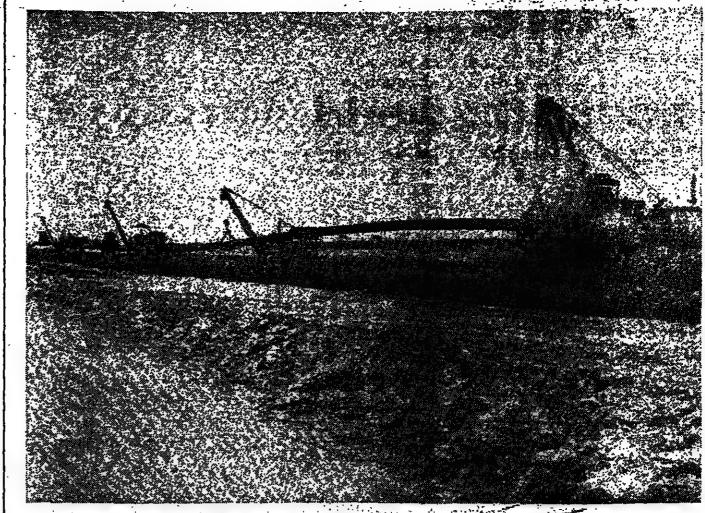
Many of these benefits apply

equally to the use of plastic pipes in industry and their range wide. But even closer attention must be paid in this area to load parameters of pressure, tempera ture and service life.

fibre composites is used in many process industries. These have hown their highest potential in the chemical industry where they have performed well in terms of structural reliance and

resistance to chemicals.
In the U.S. the power industry is seen as an important growth area for GRP pipework, due mainly to its life cycle and performance. In this area corrosion resistance is of prime impor-tance and apart from meeting this requirement, GRP also pro vides maintenance-free service and a greater flow rate.

Overall, demand for plastic pipe is likely to suffer a temporary setback as a result of increasing raw material costs, but since these costs will eventually and less directly affect the cost of competing pro ducts because of higher energy change significantly.



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USSR plans major chemical pipeline

ONE OF the world's biggest kind of ethylene grid which the

plastics—is the chemical most frequently carried by pipeline schaft—ARG—line. rather than by road, rail or ship. The ARG compa The reason is that it is bulkythe annual capacity of a modern the region of 500,000 tonnes— while at the same time safety

An ethylene pipeline grid also makes sense in terms of the market place. Supply and demand are rarely balanced—as the chemical industry is uncomfortably aware.

chemical pipeline projects now ethylene grid system is that being undertaken is in the USSR producers can help each other where attempts are being made when one of them has a plant in Wales and the Esso to lay the foundations of the failure. In Europe, for example, chemicals plants at Fawley in a company facing European industry aiready shutdown for technical reasons enjoys. can buy in ethylene from Ethylene — a major raw another producer and pipe it to material for the production of consuming plants via the Aethylen Rohrleitungs Gesell-

The ARG company was set up jointly by Veba Chemie, Huis, BP, Bayer, Erdolchemie ethylene plant tends to be in and DSM. Its ethylene pipeline the region of 500,000 tonnes—
while at the same time safety
considerations would make its
transportation by road or rail
both undesirable and wildly
expensive.

An ethylene pipeline grid also
makes sense in terms of the
market place. Supply and

There is another ethylene line in Southern France and weak demend has given way to a tight supply and rocketing prices caused largely by the Iranian revolution and the oll crisis that has come in its wake.

But an ethylene grid makes it possible for medical and the continental grid although this would be technically feasible.

plex at Wilton on Teesside with Grangemouth in Scotland, with the Shell plants at Carrington general. These limitations, unextent and so alleviate the worst the Shell plants at Carrington less resolved by the introduction consequences of a supply and with Runcorn in Cheshire. The only major chemical sites

sety of materials and coating methods.

Another advantage of an not connected to the British pipeline system are the BP Chemicals plants at Baglan Bay

> Ethylene is not the only chemical carried by pipeline though it is by far the most in the making of fertiliser, is also piped—sometimes; over great distances. The U.S. has an ammonia line that goes from the Gulf of Mexico up to the cumbelt and in the USSR an ammonia line is being built from Odessa on the Black Sea to Togliatti on the River Volga. At major chemical sites pipe-lines are also used to carry a raw material chemical from the

> plant where it is produced to a consuming plant next door. At Wilton, for example, it is possible to see groups of pipelines, sometimes four or five of them, all carrying different chemicals. But they only cover very short distances.

Length

There are some slightly longer propylene pipelines and the idea of setting up a European propylene pipeline grid, similar to the present ethylene grid, has been monted. But in the main propylene was die the preducpropylene—used in the produc-tion of plastics—is consumed on the sites where it is produced. And when it does have to be carried over a long distance it is moved by rail tank car because, unlike ethylene, it does not have to be refrigerated. .

The main argument against carrying chemicals by pipeline is the cost of construction. Ethylene pipelines are usually between 8 ins and 12 ins in diameter and it is estimated that they cost something in the region of £10,000 per mile per inch of dlameter. A 10 ins line could therefore be expected to cost around £100,000 a mile. The pipelines are normally made of steel and they do not require any special protective.

require any special protective coating inside because ethylene which goes through the line as a heavy gas—is non-corrosive.
The lines are usually laid four
or five feet below ground level. In Britain, every effort is made to ensure that ethylene pipelines run under good farm-land because there is then less chance of their being damaged by excavation. If there should be a leak—ethylene is a heavy gas and therefore does not disperse easily—there is also less chance of people being hurt if the line is on agricultural land. The most common cause of accidents involving ethylenepipelines is people digging down—unaware of the existence down—unaware of the existence of a line—and striking and damaging the pipework. In the UK, therefore, all chemical pipelines have to be clear marked on the surface. As I

CONTINUED ON NEXT PAGE

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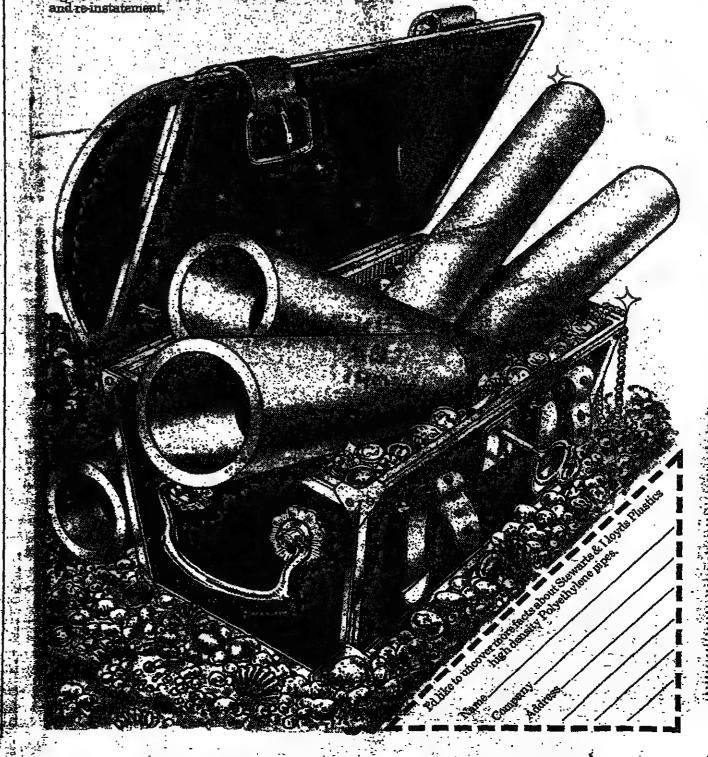
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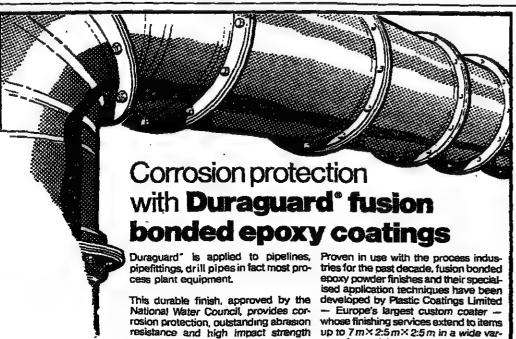
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Links with offshore systems

FOR MUCH of the 1970s the North Sea has provided the most important area for new pipeline work in the whole of Europe. All the major fields in the UK sector of the North Sea are now linked to the shore by pipeline, however, and the Government is turning its attention to ensuring that as many as possible of the new genera-tion of smaller fields are also linked into the offshore pipeline system.

Several of the more recent fields to be considered for development are not large enough alone to justify a pipe-line link to the coast. But operators are being encouraged by the Department of Energy to consider the construction links to the major existing oil

Pipelines are already in place to serve the most prolific North Sea finds. Oil has been flowing through the 111-mile pipeline from British Petroleum's Forties Field since 1975 to Cruden Bay to the north of Aberdeen, and a year later the 124-mile line from the Occi-dental Group's Piper Field to the Orkney Islands was com-

The most complex system of pipelines in the North Sea, however, is still being developed to serve the group of major oil discoveries made in the East Shetlands basin. Two major trunk-lings have already been

Islands, and the first crude oil began to flow to the islands in the late autumn, last year.

Eventually, the Sullom Voe terminal will be handling up to 1.4m barrels of crude oil a day. equivalent to more than two-thirds of the UK's current crude oil consumption. It is already receiving crude from the Ninian Field, the third largest oil discovery in the UK sector of the North Sea, and later this year oil will begin to flow to Sullom Voe from the Brent Field, the biggest UK oil discovery.

The existence of the two large 36 ins diameter pipelines, the Brent and Ninian systems, has already meant that several small fields have been tied into pipelines, when considered in isolation they would have been hopelessly uneconomic.

The main Brent system trunkline actually connects the Shell/ Esso Cormorant Field to Sullom Voe, through a 93-mile pipeline. The Cormorant platform is the main pump station for the system and is the receiving point for oil from a number of other fields. The first of the East Shetland fields to come into production was the Thistle Field, operated by the British National Oil Corporation, which came on stream about 12

months ago. In the early months of pro-duction, the crude oil was offshore into tankers through a mooring buoy anchored to the seabed. By the late autumn, however, the Thistle Field and Shell/Esso's Dunlin Field had been tied into Sallom Voe is likely to be the Cormorant platform and oil began to flow direct to the in the 1980s. It was first brought Shetland Islands. The Thistie Into use in the autumn for the Field will have the flexibility small Heather Field, but at the

Ninian systems to the Sullom Voe oil terminal in the Shetland Islands, and the first crude oil terminal in the Shetland Islands the offshore loading buoy was

found to have been so badly damaged that it had to be removed and towed to Holland for emergency repairs. The repair work is likely to cost £3m to £5m but the partners in the field have decided to go ahead with the job as an insurance against possible interruption to production through the pipeline.

Some minor damage has already been discovered in the line which links the Thistle platform to the Dunlin Field. is not serious enough to stop production, but there appears to be a minor obstruction in the line, that could have been caused either by a slight buckle or dent. If, at a later stage, a section of the pipeline has to be cut out and replaced, it should be possible to maintain crude output through the offshore loading buoy.

Progress

The Brent System is already taking crude from the Thistle and Dunlin Fields and later this year production should also begin by pipeline from the Brent and Cormorant Fields. Next year, the first production should flow from the Murchison Field into the line, followed in the early 1980s by the North Cormorant Field, which was approved for development by the Department of Energy,

earlier this year. The Ninian trunk-line to handling a smaller throughput

by British Petroleum's Magnus Field, the most northerly discovery in the UK sector of the North Sea, which is expected to start production in

Work on the Magnus pipeline will begin next year with the pipe being rolled and coated for protection. It should be laid during 1981 and completed in

For fields under development further south in the North Sea, the obvious systems with which to connect are the Piper or

Forties pipelines.
Texaco, which is well-advanced with the development of its Tartan Field—the 17,000-tonnes steel platform jacket was successfully installed in 505 ft of water earlier this month—has reached agreement in principle with the Occidental group to use its Piper/Claymore. group to use its Piper/Claymore crude pipeline to link Tartan with the Orkney Islands. The deal has involved the construction of a 17-mile feeder pipeline from the Tartan field to the

Claymore platform. The Government however. faces something of a dilemma over insisting on fields being developed with a pipeline. It is also keen to promote a steady flow of orders for the UK offshore supply industry and some North Sea operators have suggested that field developments could be held up for many months or even postponed if the Government insists on a pipe-

line.
Phillips Petroleum's Maureen Field is an obvious example of this dilemma. Earlier this year, the Government reluctantly allowed this development to go of falling back on its offshore end of December production ahead with a system of offshore loading system, should problems also began from the Ninian loading, and the over-riding

consideration appeared to be the need to attract more work for the platform building industry in Scotland.

opposition and last month Sohio finally decided that the economics of the project were now "marginal, at best" and that the

Overseas, a major onshore crude oil pipeline project has recently been abandoned in the U.S. by BP subsidiary. Sohio. The scheme to build a line from California to the mid-West to handle Aleskap grude oil has

received support from the 1981.
Federal Government for the project. But it has run into insurmountable environmental

whole scheme should

abandoned. However, in Saudi Arabia, an even larger project is under way, involving the construction of a 747-mile crude oil handle Alaskan crude oil has been under consideration for insula from Abqaiq, in the east on the Gulf to Yanbu, in the Scheme vigorously, and recently scheduled for completion in

> Kevin Done Energy Correspondent

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Key questions on gas production

THE REPERCUSSIONS of the revolution in Iran and the. dramatic reduction in that country's crude oil production have been seen in every national economy in the world. Rather less obvious, however, has been the potential effect of the turmoil in Iran on the international gas industry.

For nearly 10 years Iran has been busily engaged in finding export markets for its associoutlets were to have been two massive pipelines to the USSR, the second involving a complex and imaginative swap deal, in which gas from Iran would be transmitted into southern Russia, and in return the Russians would export gas to Western Europe.

Deliveries of gas through the Iranians' first international gas trunkline, Igat-1, began to build up in the early 1970s to the target of 900m cubic ft a day. During the early part of this year the sudden drop in Iran's crude oil production—exports ceased entirely for 10 weeks from the end of December-meant that the transmission of gus to the Soviet Union was also temporarily halted.

The halting of gas deliveries caused severe energy shortages in southern Russia, and the level of future supplies will depend critically on how much crude oil the new regime in Iran decides to export. But the effects of the revolution will be felt most keenly in the construction work that was in progress on Iran's second international gas trunkline, Igat-2. The \$3bn pipeline was about one-third complete, but abandonment of the project is now virtually

Mr. Hassan Nazih, chairman of the National Iranian Oil Company, said earlier this

accidents with ethylene pipe-lines in Britain although the

explosive.

Ethylene lines are remotely controlled and in Britain the necessary telemetric lines are provided by the Post Office. Usually a single line is dedicated to each pipeline—dedicated lines have high integrity and are extremely reliable. It is also possible to control pipeline operations by radio and this method is sometimes used on the Continent.

ratio and this method is some-times used on the Continent. Pressure is the most important factor in ensuring the

important factor in ensuring the smooth and efficient functioning of an ethylene pipeline. Ethylene is normally pushed through a line at between 900 and 1,200 pounds per square lnch. The critical pressure is about 900 psi. If the pressure falls below this, a two-phase flow may develop.

A two-phase flow means that some of the ethylene may form slugs of liquid in the line. This

not only impairs the flow but the mixture of gas and liquid can cause what one expert des-cribes as "a hell of a bang" at

may develop.

month that the 1,420 km large diameter pipeline was "90 per cent certain to be cancelled." Under a three-cornered agree-ment reached in 1975 the Soviet

Union was to receive over 18bn cubic metres of natural gas a year from Iran through Igat-2. Russia was then to supply 11bn cubic metres a year of Soviet Caucasus. There was wide-and Iranian gas to West Ger-many, Austria and France population and industry was beginning in the mid-1980s. badly affected. take 50 per cent of the gas. France a third and Austria 16.6

It is still far from clear how the probable cancellation of Igat-2 will effect supplies of gas to Western Europe, but at the very least it places an important question over some of the most ambitious gas pipeline projects another major gas pipeline construction project is also run.

cancellation of Igat-2 would necessarily have a serious effect associated gas from the massion German gas supplies, however, as the Soviet-German Work is progressing rapid agreement was not in immediate jeopardy.

German officials suggest that the USSR would probably be to the gas-producing countries unwilling to forgo the substantial hard currency payments involved in the gas contract. If being laid from Tunisia to Sicily. the Soviet-European agreement is maintained, however, the USSR will have to make considerable internal sacrifices or

step up its own production. Soviet gas output is rising at about 9 per cent a year and will total more than 400bm cubic metres in 1979. But the

pipeline the pressure has to be boosted by compressors.

which ensures that all the ethylene entering the grid is of

a certain quality.

Because of the size of the
European grid—much of it built
during the 1970s—there is little

prospect of any more major chemical pipelines being con-structed in Western Europe in the short or medium-term. But

there is no similar grid in the USSR as yet. One line has been

built in the Tartar Republic

which runs from Kazan, some 600 miles east of Moscow to

the salt caverns at Salavat,

where the ethylene can be stored. It was completed in 1977. Another in Siberia is now

being constructed from Angarsk to Zima, near Lake Baikal.

Sue Cameron

Caucasus is short of energy because output of gas and oil is stagnant or even declining there. The region's difficulties became clear during last winter when supplies through Iran's Igat-1 pipeline were stopped. This line normally delivers 10bn cubic metres a year to the

mean that the Russians will have to divert some supplies to the Caucasus which will mean in turn some disruption of supplies to the band of chemical plants that stretches from Odessa to Togliatti. On the other side of the globe,

now under construction.

Herr Klaus Liesen, the chairman of Ruhrgas, West Gerdoubts about the timing of the many's largest natural gas dis-scheme to bring Alaskan gas tributor, stressed earlier this down through Western Canada month the importance of the to markets ranging from Cali-three-cornered supply agree- forms to Illinois. Here, the ment. It was of great economic major difficulty concerns finance significance to both the pur- for a project that is estimated chasers of the gas and the sup- to cost more than \$10bn. A pliers. He did not feel that the 4,800-mile pipeline would be needed to bring supplies of associated gas from the massive

Work is progressing rapidly, however, on one of the world's major submarine pipelines, which is being built to link Italy mediterraneau gas pipeline is being laid from Tunisia to Sicily. By the early 1980s a natural

gas transmission system should be in place in Europe which will link the major consuming countries of the continent either by pipeline or liquefied natural gas terminals with areas which boast some 70 per cent of the entire world's natural gas reserves. The north-south system of the

European gas grid was finished in 1977, when deliveries of North Sea gas started from the

Kevin Done Energy Correspondent

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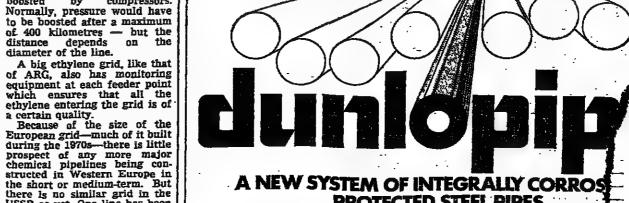
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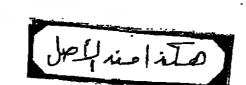
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THE MANAGEMENT PAGE

Lift-off soon for **COMMET**

BY HAZEL DUFFY

WHEN it comes to comparisons with Europe, Britain seems to enjoy its little indiosyncrasies The mechanical engineering industry is just one. The problem is: how to represent an industry which, more than most, is fragmented into many smaller industries? In the rest of western Europe, the individual trade associations have managed to federate themselves into a single, representative body at the national level, which in turn is affiliated to Orgalime. EEC nearly always ends up with supra-national federation bringing together the industry in 14 European countries.

The British mechanical engin- and those that do not. cering industry has tried to do the same, but the very number trade associations in the industry—no less than 250— liberal stance, while others has made it a difficult task. At whose industries are suffering least three previous efforts have collapsed, (the last in 1976 when Brimech folded) but later this month another attempt will be made. The body will be called COMMET—Council of Mechanical and Metal Trades. stage, is being confined modestly to representation in Orgalime.

Orgalime (Organisme de Liaison des Industries Metalliques Europeenes) is a federation of the engineering and metalworking trade bodies in the nine EEC countries and five EFTA countries. Both the mechanical and electrical engineering industries are repre-sented—the British electrical manufacturers are members through their trade association

Orgalime's function is represent the industry in a European context, and to provide liaison between the various national bodies. It does this on economic, legal, technical and other matters. For example, it can provide members with guides on drawing up internamodel forms of patent licence agreements with a foreign com-pany, etc. It finds that more than 90 per cent of its work is concerned with what is happening at the European Commission other Common Market

Orgalime's foundations date hack to the immediate postwar period, when a number of engineering_trade associations in various European countries organised a series of international congresses. But its main formative period was during the period when the ECSC, EEC and EFTA were set up. In 1960 the congresses were brought together within Orga-lime and in 1963 the office was moved from Paris to Brussels.

It has successfully avoided joining the league of blossoming bureaucracles in Brussels by sticking to the maxim that it is there to make the member associations do the work themselves. The permanent structure consists of the Secretary assistant, secretarial staff and translaters (everything is put out in English and French, and sometimes German). It has an executive committee consisting of the directors of member associations, which elects a president every two years. He is currently Bernardo Lips from

the Dutch organisation.

Orgalime could hardly claim the name of a federation if it did not have statutes and voting procedures, but sensibly these are avoided as far as possible. Representing 25,000 firms (albeit through their trade assoinevitably brings differing viewpoints. Llaison committees for the electrical and mechanical sectors have been set up over they get to the stage of a split view, but it is realised that some go too deep for this remedy. The ssue of the access that should be allowed third countries in bring- just in time.

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ing manufactured goods into the a split between those companies who have manfacturing facilities in, for example, the Far East,

Likewise, the whole issue of non-tariff barriers in trade leads to some associations taking a more find it impossible to share that view.

The EEC's proposed directive on product liability is a good example of the need for the engineering industry to put pressure on the Commission. In this event, the opposition to the proposals from Orgalime members was united. Other topics which Orgalime has found itself able to support in the past year include the GATT negotiations, although there were reserva-tions from some members about the selected safeguard clause.

However much Orgalime's members might strive to be good Europeans, complaints are heard sometimes that one EEC Europeans, complaints country is employing unfair tactics to the detriment of the industry elsewbre in the Community. But Orgalime says it would never take a complaint by one member country against another to the Commission. Instead, it hopes to "neutralise the squabbles" before they get out of hand. Mr. Gay says a frequent complaint is that particular countries are offering better export credit guarantees than others.

"We went into a lot of detail on this particular complaint, and distributed widely the results of to put this sort of information down on paper, rather than have a group of people sitting round a table who only have their own view of the problem." If a member association feels that it still has a complaint, then it must take the issue to the Commission on its own.

One thorny problem that has not yet been fully thrushed out concerns Spain Many of the associations, both from the EEC and EFTA, are opposed to the low-tariff agreement that Spain has with the EEC, and accuse Spain of erecting non-tariff barriers against their industries. Spain's eventual accession to the EEC is also seen as a threat to parts of the engineering industry, because it is a low-cost

The representation of the

hear the EFTA view as well as that of EEC members, while EFTA members are equally keen to be kept up to date on what is happening in Brussels. The influence of Brussels in trade and industry is growing all the time, both as a representative force in external relations and over the laws and climate of industry within the Community. On matters of international codes of conduct. for example in relation to South Africa, multi-nationals, or anti-corruption, the Commission all the EEC countries, while on matters such as dumping, it is a more powerful representative the past year to try to iron out of industry than individual some of the differences before governments. The British mechanical engineering industry, which has not been a mem-ber of Orgalime since 1976. would seem to be getting back

With tighter controls on the horizon for many potentially toxic substances, David Fishlock looks at role the of a medical science unit recently set up to identify new health risks.

Toxic byways in Dr. Douglas's parish

While this may be so, there are and other related industries.

acne which afflicted the people radiation they are receiving of Seveso in Italy after an accident at a Hoffmann la Roche factory in 1976. This company has paid out about \$11.6m in damages to people affected by the escape of toxic gas. The British victims picked up chloraene through exposure to certain chlorinated chemicalsor impurities in these chemicals in the chemical processing industry.

To take another example, the people at greatest risk from lead poisoning in Pritaia tedey are demolition workers. They inhale fumes from lead paint when cutting up old steelwork with oxy-

Lead poisoning was the first "Industrial disease" to be made notifiable in Britian, as long ago as 1899, Ironically, those Acts which strictly control the risks of lead poisoning in the processing industries do not extend at prewnt to demolition

Within a few months, how

ever, the government is likely to tighter controls on Introduce many potentially toxic substances in industry. In anticipation of controls expected to embrace dozens of carcinogenic (cancer-causing) chemicals, and perhaps a couple of hundred substances known to cause industrial allergies, the Health and Safety Executive has set up a new medical science unit?. The new unit, of about a score of professional staff, is headed by Dr. David Douglas, a medical doctor and a deputy director of medical services of the agency. His job is to weigh all the data he can glean on the health risk of any substance used at work. and advise the Health and Safety Executive where trouble may His remit includes chemicals, dusts, noise and vibration—but not radiation of any kind, which remains the purview of the National Radio-

ingless Protection Board.

regulators wish they could conveniently apply to a host of some kinds of illness which you other substances carrying a are much more likely to contract health risk, not least to other carcinogens. Radiation workers -whether at a nuclear factory For instance, there are or working with radiation in believed to be about 100 people in Britain suffering from chloracne, the particularly unchloracne, the particularly unchloracne, the particularly unchloracne of black-pimpled meter to record how much much The latest version of this

dosemeter, introduced in 1977. and used by more than 5,000 radiation workers, is automatically Its data is filed on quarter. Its data is filed on computer against the wearer's national insurance number. The intention is that these records Any hint that accumulated low doses of radiation may be having an adverse effect on health, and the medical scientists can return to a complete and dependable body of data to see if standards need to be

Hazard

Dr. Douglas's job is to judge how for this very stringent form control over an industrial hazard can be—indeed, needs to be-extended to chemicals. fumes, dusts, etc. For example, does the risk in industry from eadmium poisoning justify regular sampling of the urine of workers in the refining, electroplating, ceramic and other industries? The technology to detect a rising level of cadmium before it has any biological effect on the worker is certainly available in this

Toxic metals, the first of three broad categories of indus-trial risk in Dr. Douglas's parish, are the easiest problem. There is no toxic metal used in industry, lead, cadmium, mercury, antimony, arsenic, etc., which cannot be put under tight and constant surveillance if this no toxic metal from which a large workforce is at risk in Britain today, says Douglas.

Under the new regulations, workers are likely to be taken off work with such metals as mercury or cadmium when urine contamination levels exceed a certain flaure, just as

More difficult to place under

strict surveillance, says Douglas, is the second category of toxic substance, the occupa-tional carcinogens. A carcinogen is defined as any substance capable of producing an excess of cancers in man. The point is distort the evidence. example, testing industrial fumes for carcinogenicity on a rat can be quite misleading because aerosol droplets may accumulate high up in its lungs, whereas in man they spread more thinly and harmlessly through the much wider tracts.

"We've got to be flexible because techniques for testing will change and the relevance to man will vary with the test," says Dr. Douglas. But how, for the purpose of protecting the worker, do you draft regula-tions saying: "We're leaving this open and flexible?" subject is one the Chemical industries Association has also been mulling over, and there have been discussions with the

The Health and Safety Execu tive is thinking in terms of dozens not hundreds of industrial carcinogens known to warrant close surveillance at present. Once it has drawn up a schedule of known carcino ens, however, it should be relatively easy to add substances, believes Dr. Douglas, His probiem is that for most known carcinogens there is no biological test they can recommend at present to say whether a worker accumulating a worrisome amount of the chemical. Even where a carcinogen can be assayed accurately—as with

benzens in blood-the measure ment cannot yet be correlated with cancer risk. Still more bewildering to the scientists is the third broad entegory of toxic substance, the sensitising agents. "Literally hundreds of substances. says Douglas, are can be justified. But there is known to cause occupations asthma, for instance. Moreover, once a person has been "sensit to an agent, he will forever react to traces of it it's a major cause of concern.

Occupational allergies are rarely killers many responses are very mild-but asthma can be a serious and disabling



And virtually any organic chemical has the potential for provoking an allergic response in some people. Over 200 agents are documented already.

For Douglas's unit there are big problems at every level: problems in detecting the sensi-tising agent, problems in how to treat people affected, problems in how to centrol the

Already, however, he is look ing beyond these recognised problems to ask questions in

areas where problems have not yet become apparent. The pharmaceutical industry, example, knows it has problems with occupational allergies. It recognised long ago that it was sensitising some workers to penicillin and they were responding massive reactions when they needed the

Now Dr. Douglas has begun to ask questions about other risks to which it may be expos-

manufacture. Oral contracep-tives and steroids, for instance, can have significant metabolic can have significant metabolic effects at low levels over long periods. With steroids, one of the more evident is the charac-teristic "moon face" of people

on long-term treatment Dr. Douglas has freedom to commission research from the large research division of the Health and Safety Executive. One study he is about to com-mission is of the effect — if any — of low-level exposure to all chemical agents on reproduction: not only teratogenic effects, that is on the unborn baby, but any effects on the reproductive mechanisms of men and women themselves. This will start with a computer search of all toxicity data already filed by his agency on chemical substances. But he is also interviewing the drug industry's own medical advisers to learn what they think about health surveillance within their

own companies.

The trend is clear: not only build large data bases on industrial health risks but, more important, to find more sophisticated ways of assessing them, so that the records—the epidemio-logical data — are available as soon as a problem pokes up its head. In fact, David Douglas hopes to go a big step further. "It would be nice to think that we could anticipate problems instead of always reacting to

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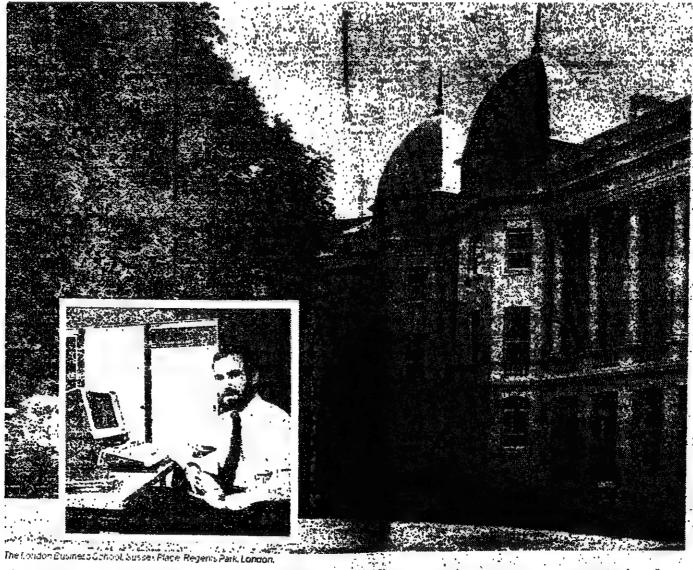
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LOMBARD

A failure of communication

BY DAVID LASCELLES

days says that gasoline is short because Alaskan oil is being exported to Japan. Not only is this totally untrue, but inconceivable: there is not one but two laws prohibiting the export of U.S. oil without express Congressional permission. And far from granting that permission. Congress actually reaffirmed one of those laws last month.

national energy policy, even six years after OPEC started flexing its muscles. Public confusion about the facts and issues of the energy crisis, compounded by anger, has probably done more to stymic energy policy than anything elie.

The public is not just confused about matters of judgment (like whether or not the oil companies' profits are "exorbitas so many people allege, or indeed, whether there is an energy crisis at all), but also about simple matters of fact. For example, the latest public opinion polls showed that over a third (36 per cent to be exact) of the country believes the U.S. is self-sufficient in oil. The truth is that the U.S. imports nearly half its oil, and this share is rising. Only 51 per cent knew that the U.S. imported oil.

Profligate

Another misapprehension is that the oil companies are hoard-ing oil for the day when prices rise. In fact, stocks are perilously low. Moreover, any diversion of oil from gasoline production is taking place at the behest of President Carter who believes - quite sensibly -that it is more important to build up supplies of heating oil for next winter than fuel profligate summer driving.

A fourth misapprehension (voiced by a senator who should have known better) is that Mr. Carter's plan to increase the price of oil in the U.S. will rplay straight into OPEC's hands." In fact, it will do the exact opposite. The higher U.S. prices go, the slower demand prices go, the slower demand dictatorship. Indeed, the Chan-will rise, and the weaker cellor of the Exchequer's OPEC's market will become.

Other reasons we hear advanced for the U.S. oil crisis: Congressmen have access to special gasoline supplies in Capitol Hill garage which insulates them from the real the way it ought to be.

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ONE OF THE MANY rumours shortage (there's probably flying around the U.S. these something in that); garage days says that gasoline is short owners are "ripping off" the public (in fact, they are subject to the most complex price regu-lations devised by man); gaso-line prices are "ridiculously high" (the U.S. motorist should try filling his tank at a European garage).

How to explain this confusion? Partly, it is just that: confusion. Events have moved so fast that Stories like this help to ex-plain why the U.S. seems keep up with them, so he has incapable of putting together a gone for the simple explanations, particularly those that put the blame on somebody else, like OPEC or the much-criticised Japanese. Another reason is the low credibility of most parti-pants in the energy debate.

Disbelieved

Few sources of information on energy are genuinely objective. The oil industry puts out reams of figures which are widely disbelieved simply because they are put out by the oil industry, (In fact the Energy Department has ordered a special audit of the oil companies' inventories on suspicions that they may not be telling the truth about their stocks.) The consumer organisations have a more popular following, but most of their outpourings have a strong anti-business blas and tell only one side of the story.

Even the Energy Department has an axe to grind, locked as it is in a battle to have its nolicies approved by the rest of the Government. It has also become the national scapegoat for the country's energy prob-lems, so it gets boosed whenever

it says anything. As the movie lawman said after his charges had a rather bloody bout of fisticules: "What we have here is a failure of communication."

What can be done about it? Alas, it seems very little. The situation is so complicated, and emotions run so high that even detached observers have trouble cetting to grips with So it comes as no surprise to hear becole muttering about the need for a brief dose of power to raise British petrol prices by 10p at a stroke, as he did this week, has been held up by the more exasperated. segments of the U.S. population as an instance of government

CBI polishes 'work' image

By ANTHONY MORETON

industrial life draws to a close unfo tonight when Industry Week in this. Sheffield closes its doors. Since last Saturday industry has been on show in the city's Norfolk Park in an attempt to put across to the community the message that it is not something alien to

new. Its motivating force in Sheffield has been the Confederation of British Industry, which realises that unless words like "profit," "capitalism," bosses" and even "industry tesls are not to have a perior itself are not to have a perjorative connotation then it must go out and proselytise, especially to the young.

Sir John Methven, director general of the CBI, admits that it will be difficult to evaluate just how successful the Week
has been, since numbers are tish city are being talked about
not necessarily an indication, as possible partners for the next As a result of linking the Week with other public functions in Sheffield, such as the Lord Mayor's Parade, the numbers visiting the exhibition have been considerable. On Saturday there were over 10,000 and on Sunday well over 25,000.

But unless people, especially school- and university-leavers, are stimulated into thinking

AN EVENT unique in British succeeded. There is no way, industrial life draws to a close unfortunately, of quantifying Board, the Post Office and the tonight when Industry Week in this.

However, the CBI has been sufficiently impressed by the co-operation it has received from local authority, for long one of Labour's municipal strong-holds, to think in terms of that it is not someone, the community.

Nothing like it has been attempted in this country before —though abroad, in countries —though abroad —though are well know in the city, such as Allen Bennett, Harthill Developments and Trianco Red-



Focal point of the Week has been the exhibition in six marquees by local firms and a few national organisations such as the CBI, the Stock Exchange and the National Economic unusual in Britain but the scale Development Office. Even the of them held in conjunction

prominent concerns such Davy Loewy, Firth Brown Tools, Neepsend, BP Oil, George Bassett and, of course, the Cutlery and Silverware Association. Smaller firms which are not household names but which

fyre also participated. Altogether, over 80 of them ad some form of display. And there was close co-operation between the organisers and Sheffield's education committee, since the intention was to introduce industry to the young.

In addition to these, there were seminars dealing with a strategy for survival for business, raising money for business and the micro-technology revo-

But the exhibitions and seminars were only the surface coating. Much of the real follow-up came through companies which organised openday visits, again largely aimed at the young, to their works. Such visits are by no means

Corporation of London has with the week certainly is. At participated. are stimulated into thinking. Firms in Sheffield joined in facilities for parties, usually more positively about industry readily. Apart from the between a dozen and 25 strong, then the Week will not have nationalised industries such as to visit them, among them the

British Steel Corporation. Viners, British Oxygen and IBM (UK).

Sir John says the CBI has sponsored Industry Week because it has been stimulating links between industry and the universities and schools, "Pro-jects such as Understanding British Industry are trying to inform pupils and teachers about what industry is really about and if this week proves business is a human pursuit and that it can be great fun I shall be a happier man."

The CBI has put a relatively small amount into this project. The original budget was £25,000 but there has been some seepage and the eventual cost is likely to be nearer £30,000.

There is another strand to its thinking, though. Sir John is anxious to give greater weight to the Confederation's regional role. To most commentators and many others the CBI is a large-company oriented organisation dominated by the majors but he knows that numerically the bulk of its membership is spread around the country and he wants to strengthen the regional organisation.

Although admitting the difficulties, he foresees the day when the CBI's president will come for the first time from a company operating outside London Sheffield was chosen for



Traditional Sheffield steelmaking at the Atlas works Firth Brown Limited.

internal CBI reasons, but was quickly welcomed by the city opens in September. The lems are less acute than many others surrounding it. Its level of unemployment is lower than both the national and regional average and it has until recently been heavily dependent on manufacturing industry, especially in steel and the allied cutlery industry.

However, it has attracted a number of service industries, among the must prominent being 15 departments of the Mid-land Bank and the Manpower

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MY ATTENTION HAS NEVER WANDERED LESS. AND I HAVE NEVER WANDERED LESS. AND I HAVE NEVER WANDERED LESS. AND I HAVE NEVER FELT

SO CONSCIOUS THAT EVERYONE IN

THE HOUSE WAS REACTING AS

WAS." OOS. EVE. 8.00. Sats. 5.43 and

8.49 Red. price Manages Weds. M 3.02.

Services Commission, w even though its industrial prob- bring 4,000 jobs to the city which a half will come from

The city's policy has been to the CBI's approach.

Mother Earth to win again

SANDOWN AND York, two of meet again, Mother Earth drew this afternoon and their respective crowds are unlikely to go home disappointed

tive racing this afternoon will be at York where several highly promising juventles including Mother Earth, Just Amber. Charming Native and Pride and

RACING

MY DOMINIC WIGAN

of the safest proposition is Lord Halifax's Jukebox filly, Mother Earth, trained by Dick Hern.

gallops preceded her to Haydock last month and she was made an 11-10 favourite for the St. Helens Stakes to win first time out. Always travelling smoothly in ground far more testing than she is likely to

the most popular courses in the well clear of the opposition in country, stage fine programmes the final furlong to pass the post with four lengths in hand of Bradette.

> Whether Mother Earth is equally at ease on ground likely to be riding on the fast side of good we will have to wait and see. However, I shall be both surprised and disappointed if either the opposition or the going prevent her from follow-

> Pride and Faith, rated Gavin Prifchard-Gordon's best two year old colt, looks to be the one they will all have to contain in the Eagle Development Group Stakes following his comfortable victory over Heroic Air in the Felix Leach Stakes at Newmarket.

Heavily protected by bandages on his home course, Pride and Faith had the measure of Heroic Air. who started at twoto-one some way from home. I anticipate a reproduction of that running seeing him easily disposing of Lester Piggott's

mount, Charming Native, who was all out to land a minor event at a Windsor evening meeting on May 14.

Although he was a major disappointment at Bath last time out. Fleet Order strikes me as worth another chance in the Merchant Adventurers Stakes over two miles. This colt, by Reform had previously put up a highly creditable performance on that same course in running Le Champ Talot to two and a half lengths. His last run is best ignored.

> YORK 2.15-Mother Earth

2.45-Fleet Order*** 3.20-Pride and Fulth 3.50-Silver Lord 4.20--- Reшешо 4.50—Happy Hector*

SANDOWN 2 2.00—Our Home 3.05—Deed I De 4.45—Simioni

film. Spellbound, with Ingrid Bargman, Gregory Pack. 12.30 am The Wild Wild World of Animals.

HTV 1.20 pm Report West. 1.25 Report Walas. 3.50 Out of Town, 5.15 Melotoone. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 5.00 The Incredible Hulk. 10.35 Report Extra. 11.05 Psychomenia (film) with Gaorge

11.05 Psychomenia (him) with George Sanders.

HTV Cymru/Weies—As HTV General Scruce except: 1.20-1.25 Penawdau Newyddon. 4.15-4.45 Cathod—Dyns I Chi Gathod 6.00-6.15 Y Dydd. 10.35-11.05 Camera. 11.08-11.35 Outlook. 11.35-12.30 The Outsiders.

HTV West—As HTV General Service except: 1.25-1.30 Report West. 5.15-6.30 Report West.

SCOTTISH 1.25 pm News and Road and Westher. 5.15 Popeys. 5.20 Crossroads. 6.00 Scotland Today. 8.00 The incredible Hulk. 10.30 Ways and Means. 11.00 Late Call. 11.06 The Beast in the Collar (frim) with Beryl Reld.

SOUTHERN 1.20 pm Southern News. 2.00 Money-Go-Round. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.00 Scene South East. 6.30 What's Next? 10.30 Weekand. 10.35 Opinions Unlimited. 11.05 Southern News Extra. 11.15 Sosp. 11.45-1.45 am A City's Child, starring Monics Maughan.

TYNE TEES 9.25 am The Good Word. 1.20 North East News. 5.15 Leverns and Shirley. 6.00 Northern Lile. 8.00 The Incredible Hulk. 10.30 Friday Live. 12.00 S.W.A.T. 12.55 am Epilogue.

ULSTER 1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Crossroade. 6.00 Ulster News. 6.30 Mork and Mindy. 8.00 The Increable Hulk. 10.30 Film: "The Scalphunters." with Burt Lancaster. 12.20 am Bedtime.

WESTWARD

12.27 pm Gus Honeybun. 1.20 West-ward Naws. 5.15 Emmerdale Farm. 6.00 Westward Diary. 6.35 Time Out. 10.32 Westward News. 10.36 Pastimes for the Present. 10.55 B.J. and the Bear. 12.40 am Faith for Life. YORKSHIRE

12.30 pm The Cedar Tree. 1.20 Calendar News. 3.50 The Sullivans. 5.15 Makin' it. 8.00 Calendar. 6.35 Calendar Suramer Sport. 8.00 The Incredible Hulk. 110.30 The Ledy Vanishes (Hitchcock film) starring

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5.40 News. Garden. II.15-1: 5.55 Nauonwide (London and National News. Garden. 11.15-11.20 Regional and at Home. 2.25 Racing from San-Wales-1.30-1.45 Bys a Bawd.

> 11.20 Regional and National News. pm Northern Ireland News. 5.85-6.20 Scene Around Six. 10.45-11.15 Public Enquiry. 11.15-11.20 Regional and National News.

England-3.53-6.20 pm Look East '(Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton): Spotlight South West (Plymouth). 10.45-11.15 East (Norwich) Variations. Hidlands (Birmingham) This Is . . . North (Leeds) Direct Line. North East (Newcastle) Mike on Friday. North West (Manchester) Home Ground South West (Ply

6.40-7.55 Open University. 11.00-11.25 Play Schol. 2.00 pm International Tennis. The Stella Artnis Grass

4.30-6.55 Open University. 7.20 News.

7.30 Heads and Tales. 7.45 Westminster. 8.10 Television World. 9.00 All Creatures Great and

10.20 Buliseye. 11.05 International Tennis.

11.55 Betty Boop. 12.00 A Handful of Songs. 12.10 pm Rainbow. 12.39 The Sullivans. 1.00 News. 1.20 Thames News. 1.30 Home and Design. 2.00 After Noon Plus

RADIO 1

RADIO 3

#8.55 am Weather 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Over-ture (S). 9.00 News. 8.05 This Week's Composer: Bach (S). 70.00 Young Artists Recital (S). 10 55 BBC Northern Iroland Orchestra (S): Hindemith.

Radio Wavelengths

down Park: 2.30, 3.05 3.40 races. 3.50 Tennis. 4.15 Midnight is a Piace. 4.45 Magpie Brooklands Special, 5.15 The Brady Bunch.

5.45 News. 6.00 Thames at Six, 6.30 Emmerdale Farm. 7.00 The Krypton Factor 7.30 Winner Takes All.

8.00 Hawaii Five-O. 9.00 Kids. 10.00 News.

10.30 A Question of Sex.
11.15 The London Programme.
12.15 am Electric Theatro Show.
12.45 Close.
All IBA regions as London except at the following times:

ANGLIA 1.25 pm Anglis News. 2.00 Money-Go-Round. 8.15 Emmerdals Farm. 8.00 About Anglis. 7.30 Gambit. 8.00 Chips. 10.30 Probe. 11.00 Film: "A House Is Not A Home." starring Shelley Winters and Robert Taylor. 12.45 Christians in Action.

ATV 12.30 pm Gardening Today. 1.20 ATV Newsdesk. 3.50 Friends of Men. 5.15 Makin' It. 5.00 ATV Today. 8.00 The Incredible Hirk. 10.30 Mary Hart-man. 11.00 Hell Divers (film), ateming Stanley Baker.

BORDER

1.20 pm Border News. 2.00 Meney-Go-Round. 5.18 Garnock Way. 6.00 Lookaround. 8.30 Happy Days. 6.00 Fantasy Island 10.30 The Borderars. 11.00 Langan's Rebbi. 12.15 am Border News. CHANNEL 1.20 pm Channet News 5.15 Emmerdale Farm. 6.00 Report et Siz. 6.35 Friends of Man 10.28 Channel News. 10.35 Pastimos for the Present. 10.55 B.J. and the Bear 12.40 am News and Weather in French.

GRAMPIAN 9.20 am First Tthing. 1.20 pm Gram-pian News. 5.15 Emmerdale Farm. 8.00 Grempian Today 6.35 Father Dear Father. 7.30 The Entertainers. 10.30 Reflections. 10.35 Film: "The Oblong Box," starring Vincent Price. 12.25 am Grempian Haddines.

GRANADA 1.20 pm Cartoon. 3.50 Out of Yown. 5.10 Captain Nemo. 5.15 Crossroads. 6.00 Granda Reports. 6.30 Oh No It's Sciwyn Froggitt. 10.30 Hitchcock

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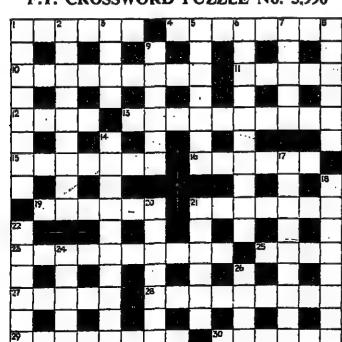
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ROYAL COURT THEATRE UPSTAIRS 730 ODEON MARBLE ARCH IN THE SHAPE OF THINKS SED PRITS, WAS DOORS OF THINKS SED PRITS OF THINKS SED PRINCE CHARLES ARCH IN THINKS OF THINKS CHARLES OF THINKS CHARLES OF THINKS OF T

ART GAL AGNEW GALLERY, 4 01-829 6176, E MASTER PAINTING Mon.-Fri. 9.30-5.30, CRANE KALMAN G. ton Rd. S.W.3. 01. BRITISH EUROPEA PAINTINGS AND 1 10-6. 51t. 10-4.

F.T. CROSSWORD PUZZLE No. 3.996



ACROSS I Flowering plant growing first to last by a meadow (6) 4 Unorthodox to slay Isn's

bowling figures (8)

II Memo we received contained reference to a cutter (5)

12 Round chaps with a sign for the future? (4)

13 Jester's journey featured in paper for laughs (5, 5)
15 No dreamer about boxing

Lamp set to produce pale flower (5.4)

champion by the way (7)
16 King not strict on horn (6) Editorial guide (6) 21 Special limit on A1 for return of reserve troops (7)
23 Suitable setting for Pinafore

(5, 5) 25 Simple pool (4) 27 Doctor gets a master to play 28 Uneasy with negative reception (3, 2, 4)
29 Affording a cure for engincering regiment to face (8)

30 Twister on drunken spree (6) DOWN

1 On which to go down in the 4.44 (3, 5) 2 Total concrete mixture (9) 3 Fond for eastern women's

5 Club writer on beat (7)

7 Broadcaster could be worse

8 Rank sign kept up one's

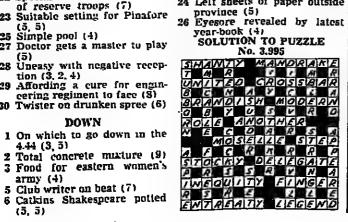
sleeve (6)

stray (6)

9 Destined to be climinated (3. 14 Certainty said to be worth a bushy pair (4, 2, 4) 17 Heading for travelling (2, 3,

18 Approached accountant over soldiers' hearing aid (4, 4) 20 West-end included in circular over a building (7) 21 Force youth leader to be powerful (6) 22 Paic with blushing upset

24 Left sheets of paper outside



South-East). 6.20 Nationwide. 5.55-6.29 Wales Today. 7.00-7.30 Heddiw. 7.30-8.00 Lena Zavaroni. 10.45-11.15 Kane on Friday. 11.15-7.00 It's a Knockout. 8.00 Are You Being S 8.00 Are You Being Served? 8.30 Two Up, Two Down.

9.00 News. 9.25 International Show Jump-10.45 Tonight in Town. †11.20-1.05 Film: "The Country Giri" starring Bing

Girl" starring Bing Crosby, Grace Kelly. All Regions as BBC1 except at the following times:
Scotland-5.55-6.20 Reporting Scotland, 10.45-11.13 Beechgrove

mouth) Peninsula. West (Bristol)

Public Life. BBC 2

Small. 9.50 Around with Alliss,

LONDON 9.30 am Schools Programmes.

BBC Radio London 1458kHz, 206m & 94.9vhf Capital Radio: 1548kHz, 194m & 95.8vhf 1053kHz/205m 7 1215kHz/247m 1007kHz/275m 98 90-92.5vhf store 2sskHz/433m soskHz/433m & 85-91viri stereo 4 8 92.95vhf

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5 00 am As Redio 2 6.00 Dave Lee
Travis. 9.00 Simon Bates. 11.31 Paul
Burnett 2.00 pm Tony Blackhum.
4.31 Krd Jensen 6.31 Roundfable.
8.00 Andy Peebles. 9.50 Newsbeat.
10.00 The Friday Rock Show (\$).
12.00-5.00 am As Radio 2.

2 4 7 16 2 12.00-5.00 am As Radio 2.

RADIO 2

S.00 am News Summary: Weather.
5.02 Tony Brandon (S). 7.32 Terry
Wogan (S) 10.03 Jammy Young (S).
12.15 pm Wangoners' Welk 12.30
Pete Murray's Open House (S). 2.30
Roy Moore (S) 4.30 Wangonors' Walk.
4.45 Sports Desk. 4.50 John Dunn (S).
6.45 Sports Desk. 7.02 The Grumblewaeds (S). 7.33 Fresta de Dorita (S).
8.02 Friday Night is Music Night (S).
9.55 Sports Desk. 10.02 Barn Dance.
11.02 Sports Desk. 11.05 Brian
Matthew with Round Midnight, including 12.00 News. 2.02-5.00 em You and
the Night and the Music (S).

RADIO 3

Tcherepnin, Roberts, Haydn. 11.40 The Part-Song Repertory (\$) 12.10 pm Midday Concert (\$) part 1: Prokofiev, Delius. 1.00 News. 1.05 Playbill (\$) Preview of Radios 3 and 4. 1.20 Middey Concert (\$) Part 2: Martinu. 2.00 Gluck Double Bill (\$1 part 1. Don Juan—extracts from the ballet. 2.30 in Short. 2.40 Gluck Double Bill (\$) part 2: Orleo ed Euridice—opera in three scenes. 4.25 New Piane Music from Ireland (\$). 5.10 Janacek (\$. 5.25 Homeward Bound. (\$). \$5.45 News. \$5.50 Homeward Bound. (\$). \$4.545 News. \$5.50 Homeward Bound. (\$). 45.45 News. \$5.50 Homeward Bound. (\$). 26.75 At Home. 7.10 Songé for tenor and Guitar (\$). 7.45 Music Now 8.30 Aldeburgh Fostival 1978: Mozart (\$) Concert, part 1 9.25 The Brainwashing of Lemuel Guilliver. 9.45 Aldeburgh Fostival (\$) part 2 10.30 Moments of Being. 11.00 Beethoven and Brahms (\$). 11.56-12.00 Nows.

RADIO 4 6.00 am News Briefing 6.10 Farming Today, 8.25 Shipping forecast 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 Mews headlines; 7.45 Thought for the Day. 8.35 Yesterday in Perlament 9.00 News 9.05 Baker's Dozen, 10.00 News. 10.05 From Our Own Correspondent; 10.30 Service, 10.45 Story 11.00 Down Your Way, 11.45 Listen With Mother, 12.00 News 12.02 pm

You and Yours. 12.27 My Music (S).
1.00 The World At One. 1.40 The
Archers. 1.59 Shipping Forecast. 2.00
News. 2.02 Woman's Hour. 3.00
News. 3.05 The Adventures of Harry
Richmond (S). 4.00 News. 4.05 California Here i Come I 4.30 Announcements. 4.35 Story Time. 5.00 PM
News megazine. 5.50 Shipping Forecast. 5.55 Weather; programme news.
6.00 Nows. 6.30 Going Places. 7.00
News. 7.05 The Archers 7.20 Pick
of the Week (S). 8.10 Profile. 8.30
Any Quasilons 7 8.15 Letter from
Americs. 9.30 Kalendoscope. 9.59 of the Week (3). 8.10 Profile. 8.39
Any Questions 7 9.15 Letter from
America. 9.30 Kalesdoscope. 9.59
Weather. 10.00 The World Tonight.
10.30 Week Ending (S). 10.55 Sounding Off. 11.00 Book At Bedume. 11.15
Financial World Tonight. 11.30 Today
in Parliament. 11.45 Just Before Midnight. 12.00 News. BBC Radio London 5.00 em As Radio 2. 6.30 Rush Hour. 9.00 London Live. 11.40 Lobby, 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 London Sports Desk. 6.35 Good Fishing. 7.00 Look, Sob. Listen. 7.30 Black Londoners. 8.30 Track Record 10.00 Late Night London. 12.00-5.00 am As Radio 2. 12.00-5.00 am As Hanno ...
London Broadcasting
and Morning Music. 6.00 The 5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayos. 1.00-8.00 pm LBC Reports with George Gale at 3.00. 8.00 After Eight, 9.00 Night-line. 1.00 am Night Extra. Inne. 1.00 am Night Extra.

Capital Radio
6.00 am Mike Smith's Breakfast
Show (S). 9.00 Michael Aspet (S).
12.00 Peter Young (S). 3.00 Roger
Scott (S). 7.00 London Today (S).
7.30 Adrian Low's Open Line (S). 9.00
Nicky Home's Mummy's Weekly (S).
11.00 Mike Allan's Leta Show (S).
2.00 am Ian Davidson's London Link
Internetronal (S).



Roger Rees

The Other Place, Stratford

The Suicide

by GARRY O'CONNOR

of us is alraid of someone," eries out Podsckalnikov, the Swirlds, adding "except for me," ing himself exclusively for their he picks up the phone, dials cause alone: "Now, more than the Kremiin and insists a mes-sage be passed on to "him," meaning Stalin, that he has read Marx and he does not like him. A defiant move, considering that The Suicide was written in 1930. Podsekalnikov then goes off solemnly to shoot himself. The Suicide, although rehearsed by the Moscow Arts Theatre, was never performed.

But Erdman's many-sided farce is no ordinary piece of dissidence, and for much of it. it is unclear exactly where his point of view does lie. Podsekalnikov's declared intention of not quite unify the threads. It committing suicide because he can find no work in Communist Russia (this was before the Stallnist purges) is not even an original thought: it is folsted depicts admirably the pain and on him by his wife and mother- grim humour of living in such in-law, who because of his confused times, and the large extreme behaviour decide he cast under Ron Daniela' direc-must be on the point of killing tion orchestrate the rapid himself. He produces a gun, but change of moods and, no less, the gun is a symbol, not of his the many-sided intellectual own will to suicide, but of the implications. The production many frustrated factions in the mirrors the busy, condensed and Revolution who want to make wayward nature of Erdman's use of the suicide for their own dissident vision.

A member of the Intelligentsia wants Podsekalnikov in his note to call attention to the plight of the Intelligenisia. A femme fatale wants him to resurrect love as a spiritual force; a butcher, to show the invention and called Kalabush-

There are 200m people in disaffected factions into a the Soviet Union, and each one moneymaking plot for his own. profit, having persuaded them the naïve Podsekalnikov is killever, we need dead ideologists."

Erdman is a dazzling munipulator of plot: time and again he takes his main idea through electrifying twists and turns and, miraculously enough, holding suspense to the very end as to whether Podsckalnikov will live or die. Ideas such as "These are modern times, praying is a sin," tumble out head-

long, sending reverberations in directions too numerous to list. They show how alive Erdman was to all that was taking place around him, even if he could was a tragedy that this was the last play he wrote, though he lived for another 40 years.

Roger Rees, as Podsekalnikov.

Pirandello play at Greenwich

The next production at Greenwich Theatre, opening on June 28, with a preview on state of the meat supply. And June 27. is Pirandello's Six so on. Beyond all this, a subtle Characters in Search of an scoundrel, worthy of Congreve's Author, in a new translation by John Linstrum, it is the first kin, who works on a fairground London revival of the play shooting-stall, has woven these since 1963.

Cinema

The All-American Hero by NIGEL ANDREWS Mahler 6

Oliver's Story (A) The Buddy Holly Story (AA) . Gala Royal Saladin (A)

The Western was charged with the grandeur of John Vayne. Where a hundred Wayne. Where a hundred Hollywood six-shooters failed, it was illness that finally felled this most monumental of stars: cancer, or as Wayne preferred to call it the "big C." Wayne's death last Tuesday was the quietus for the movie Western. It rose with Wayne during the 1930s, it reached its highest peak with him in 1939 with Stagrcoach and it subsided with him into an autumnal, majestic Wayne. alm into an autumnal, majestic old-age during the 1960s.

Rumour wrongly ascribes Wayne's own debut as a star to Stagecoach. But Wayne had his first leading role in a Western ten years before that—in Raoul Walsh's The Big Trail (1929) and he was a busy if not worldfamous actor during the whole of the following decade. Diretor John Ford adopted him as his favourite youthful hero (he had "discovered" him in 1928. when Wayne was sweeping leaves on a movie set as third assistant prop man) and Ford's Stagecoach set the seal on the Wayne star image: the lazy drawl, the rolling, almost tiptoe walk, the dry humour, the

wry gallantry.
Wayne's majestic slowness of presence gave him an air of Ali McGraw. Wonder no more maturity even when young. He Love Story Part II, as inevitable was the obverse of a star like, as next Christmas, appears this James Cagney, who never grew week under the name of old nad w bose stock-in-trades Oliver's Story, Swoon once more were impetuosity and cat-like to the polgnant, dancing sixths agility. Wayne's granite features of Francis Lai's score, wonder made every expression—from a anew at Ryan O'Neal's prowess grin to a scowl—seem like a with tears, and if you feel that crack in a mountain-face, the absence of Ali McGraw is Monument Valley, not surpris- a movie bereavement too great ingly, was the setting (used in Stage Coach and several other westerns; where he and Ford felt most at home: a strange. hieratic wilderness of flat desert and sheer soaring rock.

Times may change, Wayne never did, and his conwere the politics of pioneer individualism, and they sat more easily in the historical frame of the Western frontier era than in the real world of the 20th century. But it's hard, despite the naiveties of his Viction movie The Green Bereis or the distortions of history in The Alomo, to wish Wayne had been otherwise. The power of his screen image came from the total sympathy and

roles and his own character and

Typically enough (of Oscar accolades), this was his most "theatrical" performance: "theatrical" performance: funny and splenetic and flamboyant, but far less touching and cherishable than the earlier films with John Ford — She Wore A Yellow Ribbon, Rio Grande or The Scarcherswhere he hardly acted at all. The most satisfying screen per-formances, it could be argued. are those where the actor's own personality lies flush with his role and no effort of "imper-sonation" is needed. By this yardstick, Wayne was a movie star head and shoulders above his contemporaries (which includes at least two generations). He was practically the definition of the strong, silent hero: living the role both on the screen and off it. He carved out an image of American strength and American idealism that can never be erased and will never

Meanwhile, regretfully, back to the ephemera of which this week there is a rich choice.

be forgotten.

You may have been wondering what happened to Oliver Barrett IIIrd — alias Ryan O'Neal-after the tragic death by leukemia of his wife, alias to bear, console yourself with the presence here of Candice Bergen-a McGraw look-alike in ash-blonde hair-playing the New York department-store heiress with whom our hero rediscovers his capacity for love.

Oliver's Story is directed by tentious right-wing politics John Korty, co-written by Korty reflected his in vansigence. They and Love Story author. Erich Cegal, and is little short of excruciating. Two stories are intertwined, like a mishap with the gift-wrapping. One tells of Bergen and O'Neal's globetrotting romance, from candle lit dinners a deu in New York to a tourist idyll in Hong Kong. The other tells of Oliver's attempts to "find himself" in his work as a lawyer. Should he forget money and espouse righteous causes, like

record of the history of the Royal Navy has just been published by the Centaur Press of Fontwell. Sussex.

The book began as an idea by Admiral Sir Terence Lewin, the First Sea Lord who is soon to become Chief of Defence Staff, when he was C-in-C Naval Home Command. One of his collated notable events in a titled Day-by-Day.

Kassel

Diarist's record of the Navy The first attempt to publish day-by-day diary-for internal in a single volume, a diarist's use in the Royal Navy to be a constan vice of its history and achieve-

ments. It was later decided to prepare an expanded and illustrated book for wider circula-tion. The major task was continued by Capt. A. B. Sains bury, a retired Royal Naval Reserve Officer and historian, who has younger staff officers, Lt.-Cdr. historian, who has been Roger E. A. Arnold-Shrubh, responsible for the final work

symbiosis between his movie roles and his own character and beliefs.

Wayne was awarded his only Oscar in 1969 for True Grit. Typically enough (of Oscar accolades), this was his most paternal charisma wins out and "theatrical" performance:

the housing problems of poor Buddy Holly and his two-man chauvinistic one one learns at school in the West. But the film doesn't make the most of turned-music-workshop to be come the idols of New York; land, whose speech is ever more how Buddy parted company with the group when his fame paternal charisma wins out and outstripped theirs; how Buddy performances. O'Neal finally steps into the family business. He loses Miss Bergen in the process: but Love Story Part III cannot be far away to provide bim with a replace-

> It's typical of Hollywood's prowess with the rose-coleaned lens that it makes real-life stories appear just as sentimental or fantastic as fictional ones. Buddy Holly was a sentimental ones. Buddy Holly was a real person. Some of you may even remem-ber him: a lean, dark, improbably bespectacled Rock'n Roll singer whose voice combined the deep Presley engine-throb with a fiair for plangent lyricism. He wrote songs like Peggy Sue, Oh Boy, and That'll Be The Day; he had a tragic early death in an air crash at the age of 22; and ifyou don't remember him by now. or are too young to do so, I shan't go on.

The Buddy Holly Story has

numble beginning in a garage-turned-music-workshop to be-come the idols of New York; how Buddy parted company with the group when his fame outstripped theirs; how Buddy-prefeired domestic peace with his wife; Maria Elena, to nation-wide tours; these things you will learn. You will not learn why Ruddy Holly wrote the music learn. You will not learn why Buddy Holly wrote the music he did, what is distinctive or characteristic about it for its time (the late 1950s), nor why it made such a huge popular impact. Steve Rash directs the film as it sleepwalking through a dream scape composed equally of American Graffiti and American Hot Wax, and the only clear merit is Gary Busey's performance as Holly, a strong, likeable, efferyescent portrait that won this actor a deserved Oscar

Soladin, an Egyptian film in wide scren and colour, offers an Arab's eye view of the Holy Land Crusades. Richard the Lionheart is a plump, conspira-gorial redbeard. Philip of France is an effete dandy. And Saladin is a noble, gaunt figureto steam for 110 minutes. How history than the conversely

nomination.

If you haven't yet seen Werner Rerog's erie and hypnotic Nosferatu the Vampyre, don't be lured away from the German version still running at the Gate cinema by the dubbed copy opening this week at the Concenta. The Gate has had the course to therever with Herzpo's original. persevere with Herzog's original-language subtifled version, ignoring a potentially wider audience drawn to the catchpenny appeal of vampire films in order to present this movie as its director wanted it. Herzog fans may find this remoulding of the first ever-

Dracula movie (made by Murnau in: 1922) a less personal work tha ntheir favourite films by the German director — Aguirre, Wrath of God and Kaspar Hauser but Nosferatu has an authentic visionary flavour and a pair of riveting performances (Klaus Kinski as the rat-toothed vam-pire, nd Isabelle Adjani as the reduced him to a packet of the Saladin is a noble, gaunt figure self-sacrificing heroine). If you hydrated myth. Just add the head trying to lead his people haven't seen it, hurtle instantly filmgoer's tears, bring the mix- to salvation. There is probably to the Gate cinema. If you have ture up to lukewarm and leave more truth to this version of seen it, hurtle thither to see it again.

Maazel's

Festival Hall

Two fundamental objections apart, the penultimate concert on Wednesday of the Philhar-monia's complete survey of the Mahler symphonies under the baton of Lorin Mazzel was a characteristicaly tough and invigorating event.

The symphony was the sixth; and the objections are surpris-ing, in view of Maazel's usually otherwise. otherwise very precise and rigorous view of both the letter and the spirit of Mahler's scores. Any account of Mahler's Sixth Any account of Mahler's Sixth that ignores the contrast of tempi between the opening movement and the scherzo which follows it loses sight of one of the essences of the symphony. For quick return and cheap effect, the conductor can open the Sixth with a brisk open the Sixth with a brisk pounding allegro, ignoring the important ma non troppo qualification. He must then, instead of leading his forces into the savage , up-tempo caricature which Mahler unleashes, use instead the same basic pulse for the scherzo, exchanging crotchet for quaver — anything faster would make nonsense of the scherzo's texture nd line. He can, in fact, play both the opening movement and the scherzo at the same speed; but it is dramstically and musically inept, and it is wrong.

The tempi Maszel chose for the two movements lay within a metronome point of each other; but he disguised the bluntness of the effect by placing the slow movement between them—an ordering which was neither Mahler's first, nor his. last, preference, but only a brief sherration of 1908 sberration of 1908. quickly, and firmly, corrected. Perhaps Maaxel, and other Mahlerians too, like to hear the Sixth thus rejigged; but to my ears it is a strange, and to the spirit of the work all but mortal. distortion.

Fundamental (which as far as the tempo of the first movement is conpage of the score); but there was room still for excitement. It was fine to hear the first movement properly weighted ... with its exposition repeat though the schwungvoll theme, because of the chosen relative; balance of tempi, emerged slower, not slightly faster, than "the rest. The brass were on " bright and pungent form: turbulent at the audante's climax. .. cut with raw energy in the scherzo. The finale was impres- , sive: grandly shaped, a nightmare canvas powerfully drawn. Only the cowbells, seemingly amplified from behind the scenes, sounded exactly as they should not. — like a clatter of some hige washing to hastage.

Thomas Igloi

In my review yesterday of Tuesday evening's concert at the Elizabeth Hall dedicated to the memory of the cellist Thomas Igloi. I unwittingly gave cur-rency to the mistaken belief that ... igloi's tragic death three years ... ago at the age of 29 was the result of suicide. Igloi had in. fact been suffering from an unsuspected heart condition, and died in his sleep from a heart attack.

D.G.



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Cowie's new opera by DAVID MURRAY

On Sunday, the day of the paid for by some loss of involve-EC poll in Germany, the ment (and of word-audibility). Kassel Staatstheater gave the first performance of an opera by Premières of British operas are sparse enough at home, and rare indeed abroad: and neither the form nor the idiom of Edward Cowie's Commedia aligns it with any Continental current. As it happened (and not by deliberate decision) the whole production team-conductor, producer, set costume designers—was British, as also the one guest soloist among the resident international cast. Though Cowie's publishers were not prepared to undertake this score is Piano Concerto and his 2nd String Quartet had attracted sympathetic attention in Kassel, and the funds needed for preparing the parts were raised ocally.

idea for Commedia grew from Cowie's fascination with the antique commedia dell'arte, dating from some university experiments in re-creating the genre. The archetypal characters are Harlequin, Columbine and Brighella, old Pantalone and the Dottore, with the plausible addition of a Contessa and her maid. The plot echoes the stock situations around which commedia troupes used to improvise; the timeless personae, with all the men in half-masks, are identified by their traditional costumes (charmingly realised by Saily Gardner). Cowie intended that a small stage horus should represent the rest of the troupe, doing the scenesetting, commenting on the action and miming the laxe interludes. interludes, reinforced by another chorus in the orchestrapit. In the event, prudence dictated that both choruses should be lodged safely in the pit, with the on-stage minning

The hallowed elements of the commedia are placed wilfully an Englishman born in the within a wholly foreign frame, middle of the last World War. and it is this that defines the nature of the opera. Cowie is a lover of nature, of the chang-ing seasons and, above all, of birds: ornithology has often invaded his scores before now, and hearing Commedia is something like spending an evening in an aviary. The orchestra (classical size with added brass and percussion) caws and twitters, tite chorus enirrups, and Columbine - discovered first in a bird's nest - warbles a continual descant: she is as much a Papagena as a Zerbinetta. In many passages Cowie assumes & colourable buffo manner, but it pales amid the irridescent Naturiante, a matter no less of feeling than of onomatopoeia.

The quick-witted verve and

topicality of the old commedia dell'arte are diminished to vanishing-point in Commedia. Cowie got from David Starsmeare presumably just the libretto he wanted; the comic intrigues which were the mainstays of the original form are here rudimentary and limp, and instead we have mortality viewed from the ertra-human perspective of a beeloud glade. seasons. Spring: Harlequin comes upon his avian Columbine have bine, bears her off at her own request to the city, and is there driven by penury to give her up to the miser Pantalone. Summer: Pantalone seeks vainly to revive his virility through the Dottore's arts, and Columbine passes into the hands of the man-hating old Contessa. Autumn: the harvest is celebrated. Hariequin tricks Pantalone into giving him the money with which he might regain Columbine, and the left to the Staatstheater ballet. Dottore muses wisely... company; musical security was the Contessa, with malevolent

dinner at the solstice. Brighella the troupe-leader and master of all the action—appears as a supernatural judge, cuts the strings of all his human puppets, and sweeps the eternal-feminine Columbine away to begin the cycle again,

Thus summarised, the plot may not sound cogent. It isn't, nor is it funny at no point did the audience laugh. Undersupplied with intrigues, the characters are not intriguing, if Cowie hoped that operatic singers imprisoned in halfmaster would supply a comic third dimension by expert physical mime, he was grossly optimistic. Yet the music has a sharper dramatic bite than ever manages, and Geliot's mas-Michael terly. production shape and a point at even the least consequent mome John Gunter's pretty settings, which have a heraldic economy, Geliot focuses the action with endlessly resourceful skill—his gifts have rarely been put to such welcome use. Wisely, he personal strands of the work-lyrical contemplative, tenderly detached a our sommamounstic—and kept them at the centre.

If he could not inspire his principals with the physical wit that helongs to a craft quite different from theirs he has at least extracted high definition performance. a high-definition performance

from elegyone. The result is that the calmly death-dealing climax, wildly undermotivated though it is, carries a genuine pathos: the opera is not, one realises, about nothing. It is greatly assisted by the powerful authority of Walker Wyatt as Brighella, a rose was acquires the it must argue for the strength mysterious dimensions of Wag- of the present team; Cowie ner's Wagneter Strauss's unseen could hardly have hoped that Kelkolds. These is Sosostris, his work would be so lovingly and in fact it is the Midsummer realised.

to Marriage of Tippett that Commedia most closely recalls, alike in its amateurish dramatic construction and in its rapt, lyrical pantheism. Cowie's : composing is increasingly tonal, however, permissive; his vocal writing falls easily into familiar patterns, though it is neatly adjusted to his various characters, and it is much less vividly expressive than his orchestral (and orchestral-choral) visions Rene Claassen (Harlequin), Anka Sindik (Columbine) and Dieter Honig (Pantalone) all made it sound shapely and purposeful. Roderic Keating made something of the confusedly conceived Dottore, and Anna Maragaki's Contessa was a ripe, telling study, triumphantly eschewing any attempt at com-

In the hands of James Lock

hart, the score had a fine trans-lucent glow, despite some provi-sional sounds from the reduced strings. By the end, the audience who remained seemed enthusiastic The couple in front of me who had winced - sharply at Brighella's early observation that the audience had arrived and were nicely arranged a like money in the bank did not return after the interval, like many others in their part of the house. Irrelevant local stresses may have accounted for different factions; the incoming Intendant of the Staatstheater Giancarlo del Monaco (son ol the tenor), aims to dispense with the services of many long-established members of the company, arousing strong reactions which were reflected in leaflets pressed upon everyone arriving for this performance. The devo-

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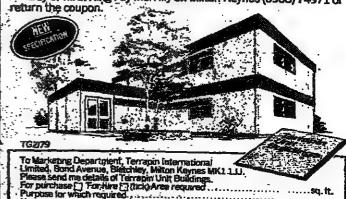
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FINANCIAL TIMES

Friday June 15 1979

Reinforcing the market

struction equipment is to close electronic companies is reported to have said that its cash flow precludes any other of improved wages for the time being. At the other extreme the Scottish miners are claiming £140 a week Tube drivers are at present intending to start their first strike in more than 50 years.

There is no need to know any- Paper thing about the merits of these disputes to observe on fact. The miners and the Tube drivers work for monoplies in vital industries, and their services would certainly be required (though perhaps in slightly smaller numbers) after a strke. The manufacturing companies are struggling to survive against home and foreign competition.

Tight money, especially when it is achieved by a credit squeeze rather than by fiscal restraint, thus driving up interest rates and the exchange rate, bears especially harshly on firms competing directly with foreign rivals, and especially those with large working capital requirements. The determined operation of cash limits applies somewhat analogous disciplines in the Government services. Between these extremes is a large expanse of relatively sheltered activities, more or less disciplined by their own in-ternal competition.

Legislation

This means that competition policy, in its broadest sense, is as vital as monetary restraint remarked, any actor in the and a proper fiscal-monetary economy will avoid the pains and a proper fiscal-monetary balance in achieving an even pressure of anti-inflationary across the economy. Failing such a policy, monetary discipline, like all other antiinflation policies, will be least effective against those who normally display the most blatantly cost-inflationary attitudes, and bear too heavily on the exposed competitive sectors which are also our best hope for future

shows a sense of this urgency credible, and more convincingly at least so far as subject- fair.

MONETARY discipline is not a threat; it is a fact in some places. A well-known maker of con-Monopolies Commission and the Office of Fair Trading is to be tabled before the Whitsun recess. The Chancellor has also spoken of an early introduction of legislation to check some trade union abuses.

However, the content of these measures does not at present look at all impressive. The OFT will have the powe rto initiate investigations of pricing abuses arising from "limited competition "—a concept borrowed, ironically, from Labour's Green Paper outlining enhanced powers for the Price Commission: but it is not clear what powers these bodies will have. This does not look like an effective substitute for market

The proposed trade union legislation, which should not in any case be rushed through hastily in present circumstances is directed to picketing abuses, some morally offensive aspects of the closed shop, and to the wider use of secret ballots.
These are worthy objectives, but
hardly central to the inflation
problem.

Monopolies

What will be required is a determined attack on abuses of market power, whether they arise in natural monopolies in the private or public sector, from commercial groupings or restrictive practices, or from the kind of quasi-monopoly power which national trade union pressure can create in a fragmented and competitive industry such as road haulage. This is an uphill and demanding task-for as Adam Smith of competition if he can; and it is not surprising that suc-cessive government have found it easter, whatever their initial convictions, to fall back on imposed policies for prices and

is far from perfect, it will make The Government's timetable its whole policy both more

Carter's precarious path to the Summit

By JUREK MARTIN, U.S. Editor, in Washington

I IMMY CARTER has gone abroad, not for the first time, at a moment of low domestic fortune, and not for the first time it has to be pointed out that the connection between the two is coincidental of carefully choreographed sum-mitry in Vienna with President Leonid Brezhnev of the Soviet Union are taking place because both sides feel the need for discussions, and have to sign the Strategic Arms Limitation Agreement—not because the merican President requires foreign adventure to rescue a sinking political ship at home.

U.S. officials are going to in-ordinate lengths to stress that no rabbits will be pulled out of the Viennese hat, such as major movement on European troop reductions or limitations on satellite warfare, and that exchanges on such regional prob-lems as the Middle East and Africa are unlikely to produce instant results.

Vienna, it is emphasised, is the first fully fledged American-Russian summit in 41 years and may be the last involving the ailing Mr. Brezhnev. It is hoped that Mr. Brezhnev's health and inclination will dissuade him from browbeating Mr. Carter, as Nikita Kruschey tried to browbeat John Kennedy 18 years ago. Such a confrontation would inevitably be portrayed in the U.S. as yet another snub to the president. But in so far as preplanning can ensure, the U.S. Administration believes that Vienna is taking place on its own merits and is not influenced by how it will play in Peoria, Illinois.

That said, Mr. Carter is going to meet the Russian leader at a time of exceptional domestic difficulty for his foreign policy initiatives. He is confronted with a strong Senate challenge to his decision to maintain sauctions against Rhodesia, to his unilateral abrogation of the defence treaty with Taiwan, and, in the House of Representatives, to the implementing legislation covering the transer to Panama of ownership of the Panama Canal. On the eve of his departure, one of the Senate's most influential membe attacking the problem with determination, and implicitly acknowledging that the market, especially as it exists in Belletic.

Any attempt to diagnose America's confusion about its own world role and its apparent lack of confidence in the ability of its president to steer the right course has to begin with what has now become a commonplace — but accurate statement. The U.S. is going through a period of intense introspection, entirely natural given the events of the pre- Salt. this is matched by a backward the front. The drumbeat of Mr. looking craving for old Helms's onslaught has him con-

of the kind which probably stops short of sending in the marines. Mr. Carter used to say in the 1976 campaign that American policies should reflect the "goodness" of the people, but the people at present do not feel "good" about either policies or government.

That is in part reflected in the fashionable tide of conservatism which is not merely reviving the tired right wing but is attracting, to a marked degree, the younger, better educated and newly affluent American. This movement is principally domestic and parochial. There is a noticeable degree of

events outside its borders, unless they grossly intrude. When they do, quick and deci-sive solutions are expected, and invariably those which reassert American interests. It is a strange environment

which, together with the shift of power away from the presidency that was in train even before Mr. Carter took office, has in effect created a power vacuum. Mr. Carter, who appreciates subtleties better than most, but has difficulty conveying his understanding, does not appear to have filled it. aspirants from both political parties who claim they have the answer, but their real appeal yet to be tested in fire of the campaign proper. In the meanwhile some rather unlikely individuals, mostly, but not exclusively, from the new Right, have been given the freedom to manoeuvre politically to an extent which not only poses challenges to presidential authority but gives cause to wonder how many Secretaries of State the U.S. really has.

Running

Take Senator Jesse Helms. The balding, owlish North Carolinian is of a recognisable type—the sort of ultra-conservative the South used to throw up every now and then and dent whose opposition to any foreign regime with an ideology to the left of Genghis Khan was absolute. The genus used to be containable, perhaps by the simple expedient of installing an extra military base in his home constituency. A Lyndon Johnson or Sam Rayburn, in their beyday, would have had no trouble. But Mr. Heims, deviating very little from type, is now running in the political vacuum. Even if—as now looks likely— Mr. Carter can hold off the

ceding decade. There is an The Democratic leadership in awareness of sorts that the the Senate, which ought to be world has become more inter- a source of strength to the Presidependent and even equal, and dent, is scared stiff of Senator that the U.S. can no longer cut Helms. The majority Leader, ship with a pretty fair progressa decisive swath through the Senator Robert Byrd, is an art-global scene as it once did. But ful manager, but no leader from

attack in Congress on maintain-

ing Rhodesian sanctions, it may

Senator Church Senator Kennedy Disliked in the White House He has trimmed and wavered the defensive by trimming and wavering, and —could hinder necessary com-ir. Helms is a intra-committee disputes with munication. Certainly Mr. Helms is a. stranger to the conventional

In the House, Mr. Helms has a counterpart in congressman one fell swoop, undoing Presi- nomination next year, Senator dent Carter's considerable Edward Kennedy from foreign policy achievement of Massachussetts. On almost every only a year ago. Mr. Hansen substantive foreign policy issue, more or less admits that his the two men are in broad agreebasic purpose is to ensure that ment. Moreover the threatened the U.S., by hook or by crook, band of Senate libereis, an retains the canal, but it is unnusually high proportion of interesting that the main argument he has used-that the treaties constitute "injustice to the American taxpayer "-have powerful appeal in the current political climate. There is little to be gained from him by speaking of America's broader hemispheric policies and inter-

international summit meeting, a

elicited at least temporary hi-

partisan political support.

stantly

national commitments. Certainly it is fear of the

on the President a major set-back on the eve of the sort of seen. If the reports from Idaho are true that he will have practice which traditionally has trouble being re-elected next None the less, Mr. Jackson has year against an ultra-conserva- been a man who, by and large, George Hansen from Idaho, who foreign affairs ally with real foray. Both the vehemence and

clout on Capitol Hill is the very whom are up for re-election next year, look to Mr. Kennedy. not to Mr. Carter, for both leadership and succour

Foreign Relations Committee, from the President on all not like Mr. Kennedy—neither the majority of which have apparently does the President themselves been essentially

Senator Jackson's interven-

tion is of a different kind. His

the Senator intended President to carry to Mr. Brezhnev:

The question is how much influence Mr. Kennedy is prepared to exert on the President's behalf on critical foreign policy issues. If-and it is a huge if, for Mr. Carter is not as politically weak in electoral only be at a cost which will hurt grassroots which has clearly terms as he appears today—the him on other issues, such as constrained Senator Frank Senator is thinking of running, Salt. the first forum next month for subjects, even though their Mr. Carter has often been discussion of the Salt treaties, Mr. Church took his chairman-ship with a pretty fair progres- that the White House staff does ship with a pretty fair progres-

reservation about Salt and detente have long been known. tive challenge, that quality may has honoured the practice of not remain under wraps for a time.

Mr. Carter's most dependable the eve of a major international may well yet succeed in so clout on Capitol Hill is the very timing, therefore, of his speech altering the Panama Canal man whom every poll shows this week, hardly softened by treaties as to render them uncould wrest from him the the fact that he included Presidacceptable to Panama—thus, at Democratic Party's presidential ents Nixon and Ford with Mr. Carter in his denunctation, is significant. His aides said afterwards that it was a message that military risk.

> Actually there are signs, to judge by a recent article in Pravda on American politics, that the Russians, like the Europeans, are beginning to appreciate the complexities that shape foreign policy in the U.S. Senator Jackson's strictures, therefore, may even be taken with a pinch of salt in the Kremlin, much as they are seen in the White House, perhaps fondly, as being too strident to influence the body politic as it tries to determine the right Soviet Union,

sive reputation, a good knownot like Mr. Kennedy—neither the majority of which have ledge of foreign affairs and apparently does the President themselves been essentially high expectations. But his first judging by his "I'll whip his moderate in concept. The criti-

looks that he turned precisely this trick in such controversial endeavours as the Panama Canal treaties a year ago, the Middle East arms sales package and when ending the Turkish arms embargo.

Senator Helms

Moreover, the more jingoistic of his opponents notwithstanding, nobody seriously contends that Mr. Carter has done the unpopular thing by declining to commit American troops to overseas operations. Majority opinion in the U.S. would probably be uneasy if that country were to embark on a sharp confrontation with the Soviet Union, replete with

Even relative hardliners, such as Senator Robert Dole, the Kansas Republican with renewed presidential ambitions. have said that opposition to Salt Two will not suffice as a principal criterion of acceptability in next year's electoral battles. As he implied, the contests will be fought on

It is a perspective which has a bearing on the Vienna Summit. Mr. Carter is approaching it with neither high nor low hopes because he. like Mr. Dole, senses his country's hopes are somewhere in the middle ground to the extent they exist at all. As the Salt debate intensifies later this year, the President can only hope that such moderate assessments prevail over those offered from the flanks, which have been making so much of six months have been marked ass" comment of the other night cism is not entirely fair: it over- the running recently.

Communist reappraisal

RECRIMINATIONS have already begun inside the Italian Communist Party over its setback in the country's general elections just under two weeks ago. The outcome of the post mortem that is now starting could have important consequences not only for the party's future political strategy but also for the country's economic and social stability. It is hardly surprising that the Italian Communists should feel that the time has come for a major re-assessment of the course they have been pursuing, hitherto with remarkable success. The results of the national elections, in which the Communists lost 4 per cent of the poll for the Chamber of Deputies, represented their first major rebuff from the electorate in 30 years. It was particularly galling in that it was the Communists who had themselves provoked the

Grass roots

If they felt obliged to create yet another Government crisis, at a time when few people in Italy wanted new elections, it was because they found themselves in an increasingly imposting the worst of both worlds from the informal arrangement under which they kept the minority Christian Democrat Party of Signor Giulio Andreotti in power, without direct participation In Government. The association with the Christian Democrats was losing them grass roots support, but they were not gaining any real influence over Government decisions in compensation. decisions Hence the appeal to the electorate, in the hope of an in-Communist vote that could be interpreted as a popular demand that they should be brought fully into

The fact that this appeal failed makes it virtually certain that they will now return to outright opposition to the Christian Democrats. They have, indeed, been making fairly clearly sig-nals to this effect in the past few in the party would prefer. But they have become tarred with it is bound to raise questions this self-same brush. In oppoover the whole doctrine of the sition, the Communists will have "historic compromise." as advorated by Signor Enrico Berlinguer, the party leader, and among the young, the unions indeed over the position of Sig- and the far Left. They should nor Berlinguer himself. There not be written off because of will be those who argue that the one electoral setback.

"historic compromise," the bid to erger power in alliance with the country's other main political forces, has failed. The con-clusion that the more militant Left-wing of the Party will draw is that the time has come to withdraw into a position of much more hard-line opposition.

Powerful cards

It is the precise role that the party should play in opposition that is at the centre of the internal debate which is now starting. It is not that the Italian Communists are likely to return to the Stalinist fold. But their links with organised labour give them powerful cards to play if they want to make the country. virtually ungovernable under the Christian Democrats. That is why the Christian Democrats would probably still, ideally, like to resuscitate the former unofficial arrangement with the Communists—a formula, however. that must be out of the question so long as the Christian Democrats maintain their refusal to admit Communists to

the Cabinet. The spotlight thus falls on the four smaller parties -Socialists, Republicans, Social Democrats and Liberals—whose success at the polis was one of the more striking features of the elections. Together they took 18.5 per cent of the vote. They are already indicating that they feel they are in a position to drive a hard bargain with the Christian Democrats in re-turn for joining a governing coalition. They have presum-ably learned the lesson of the Communists' experience that it is counter-productive to provide a Parliamentary prop for the Christian Democrats without in-fluencing Government policy.

If such a coalition is formed, however, it is essential that the Christian Democrats should use the breathing space they have won to reform the country's bureaucracy and the establish-ment's traditional patronage system. If the Communists have lost support, it is partly becaue cover some of their lost support



Ploughing funds into new fields

High above London Wall, the conversation took a distinctly sentimental turn. "Some of the younger generation are absolutely marvellous young men,' gushed Lord Remnant, joint managing director of Touche, Remnant, the fund management group. "You can't help admiring their energy and enthusiasm." The object of this dewy-eyed

remark was the farming com-munity, whose interests, Remnant assured me, were being well-served by the growing eagerness of fund managers to acquire agricultural land. The subject has understandably cap-tured the third baron's own energy and enthusiasm: the £1.5m Touche, Remnant has so far spent on buying chunks of Essex and East Anglia have more than doubled in value as prices edge further and further into the realm of unreality.

Despite the burnt fingers of 1973, when the market took a dive, institutions are now snapping up 20 per cent of all farmland that comes on the market. Expertise is at a premium and Remnant is especially pleased at securing "a real pro"—whose appointment was announced yesterday-to advise his group on future land investments which Remnant says will run into "several millions."

The pro in question is a recently retired senior partner of City estate agents Strutt and Parker, George Judd. Himself a tenant farmer in Essex. Judd is also insistent that the funds are good for farming. "It's no longer attractive for the private landby letting. And he has no relief on Capital Transfer Tax. Institutions aren't people, and they

don't die." This last factor is generally seen as one of the major reasons for the decline of the private landlord, and the advance of the



given them the incentive of so much la xrelief on higher incomes."

interested, says Judd, in manag- Up a notch ing the farms themselves, preferring lease-back arrangements. These in turn help tenants to find the typical £600-an-acre they now need for machinery, stock and seed.

Farmers appear to be a little distrustful of this new, imper-sonal element in their lives. sonat element in their aves, although the new president of the National Formers Union. Richard Butler, admits some of the funds have gone out of their way to adopt a human face.

Jumbo party

leading businessmen, farmers, politicians and nuclear energy enthusiasts are regaining their bearings after a 6,000-mile jaunt around the dominion in a jumbo jet. They paid a bargain price of £270 for the pleasure which included a mid-air lecture institutions into our meadows. on the benefits of nuclear power Bank.

by Dr. Edward Teller, the atomic Rent-a-pig

The jumbo was called "Wake Up, Australia," and the jaunt was organised by Lang Hancock, the iron ore millionaire who discovered the massive Pilbara payment of subsidies. deposits in Western Australia in As TV Eye showed on 1952. But Honcock could not independent Television last make the flight—on his 70th birthday—because of a virus infection; so the honours were South and collect a £7 a head subside on the way To web done by Gina, his 25-year-old daughter and heir.

Teller was also unable to be there in person, but his lecture came across loud and clear by radio telephone from the United

Overnight, the executives camped near a lonely Air Force base, 800 miles north of Perth. A journalist with the party said it seemed much stimulated by the "desert air." Next morning, there was a long queue at the only cold water tap, to freshen up before hte seven-hour flight back to Sydney.

This week's tax cuts will give an extra bonus to a body of men who are already envied in the City — the chief executives of consortium and international merchant banks. Their salaries are in some cases well above £50,000 a year.

Although resident in Britain, they generally are on short con-tracts, and until they have lived here for nine years they are only liable to pay tax on half of their earnings. But even assessed on £25,000, they will be about £3,000 a year better off.

One British banker said to me More than 250 of Australia's feel rather jealous of them. On the other hand, their lives can be more unpredictable than ours." He might easily have been thinking of one senior director who according to his bank's latest annual report is paid £61,900 — the London head of the Iran Overseas Investment

The pig-runners of Northern

subsidy on the way. To make the return trip past the Customs post would cost a similar levy, so the animals are taken back via an unpatrolled country lane, or walked across the fields into the Republic. Then back they go again, through the Customs, collecting another £7.

Some energetic farmers take trip on this piggy-go-round three times in a day.

Furthermore, I learn that some entrepreneurs have latched on to a way of making money out of the carousel without ever leaving home.

Rent-a-pig is now big business for at least one farmer in South Armagh. Willing runners without stock of their own can hire pigs from him at £1 a day and take their chances with the rest of their fellow sumgglers, who are estimated to be trotting about 1,000 porkers a day across the frontier.

Uncommon policy

A colleague was talking yester-day to a high official of a foreign government. "The weather's been ghastly," said the official. The late frosts killed off most "That's bad."
"Not at all," said the official.

"Think of all those subsidies we won't have to pay." My colleague declines to identify the country in question, but says that it is in Europe, is not in the EEC, and — surprisingly — nowhere near the Pyrenees.

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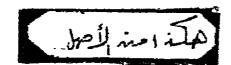
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POLITICS TODAY

Budget strategy: in place of golf

THE WORD that has been ban-died about most in the aftermath — apart from oil — are held of the budget is psychology.

Thus Mr. Denis Healey, the former Chancellor of the Exchequer, told the House of Commons on Wednesday budget itself is estimated to add

to taxes on spending, he him-self had always taken account of the psychology of the British

Mr. Healey had said earlier that while the budget figures might add up arithmetically, ney failed to and up - socially. sychologically, politically and, herefore, economically."

A similar point was made in quite different way by Sir-coffrey Howe himself. In his budget speech, the Chancellor asked rhetorically: "Are we not driven to the conclusion that the notions of demand management. expanding public spending and fine tuning of the economy have now been tested almost to destruction?"

In other words, the conven-tional economic judgments do not apply. Where the Government and the Labour opposition differ is on the psychology of the British people. The Gov-etoment thinks that the country might respond to a radical change of direction. The opposition thinks not only that the caming is whone, but; also that the British people are essentially too conservative to respond positively to so radical a challenge

The point about timing is mportant. One only has to look at the financial statement that accompanied the budget to see that the starting point is not ideal. "The prospect," It says, is for economic activity to decline slightly over the next year or so." The rate of inflation was already accelerating even their promises. If the timing before the application of Tory was not ideal now, there were noted that whatever militant threats may be made in public, in private union leaders are full of self-doubt. The inquest into what happened last winter still least, union militant the consequences. The hope is the twinter militant yes. Of course, the unions know this too. It may well be that the taken as a long way to run, in particular, the whole question of the future relationship between the unions and the policies. "Moreover," the stateaccompanied the budget to see

Commons on Wednesday budget itself is estimated to add about 4 per cent to the retail price index in the third quarter of this year; leading to a total increase of shout 16 per cent." of this year, leading to a total increase of about 16 per cent." It is from statements like these

that Mr. Healey draws his conclusion that it is only a matter of time before Mrs. Thatcher follows the example of her predecessor, Mr. Heath, and executes a U-turn. "What is the point," he asked, "when opportunism will finally override her obstinators." In his televisies obstinacy? In his television broadcast on Wednesday evening he went even further and appeared to forecast an early general election.

Mr. Healey is not alone. Con-servatives, too, raise the question of how high inflation and unemployment could be allowed to go before the Government changed direction. It is suggested that somewhere there is a theoretical point—say inflation at an annual rate of 20 per cent, unemployment of over 2m, and both still rising—that would compel second thoughts.

Yet anyone looking for signs of doubt at the highest levels of government is likely to be

of government is likely to be disappointed. The impression at the moment is that Mrs. Thatcher and the Treasury Ministers would rather fall on their swords than even contemtheir swords than even contem-plate an alternative strategy, alised. There is a good deal of That goes not just for next evidence that they are quarrel-That goes not just for next winter, when there may be strikes; it appears to go well beyond.

Illogical and

unreasonable

with an urgent matter however, and has to drive to his place of

work, is appears that if the indi-

vidual claims any mileage allow-ance then that amount has to be

added to his income for tax pur-

safety or hazard is involved, then it is possible for him to claim

tax rebate on such travel costs incurred for this at the end of the tax year. While realising the

danger of abuse, I think the practice as it stands is unreason-

placince as it stants is unreasonable and I see no reason why any poor devil who has by necessity to make a second journey to work out of normal working hours, should have to have the cost of doing this included as the property of the personal income and

part of his personal income and subject to PAYE. This seems to

be both illogical and unreason-

Fuel saving

Road Passenger Transport.
CPT will act as a clearing

house for members of the coach

industry in an attempt to

A. L Ferguson

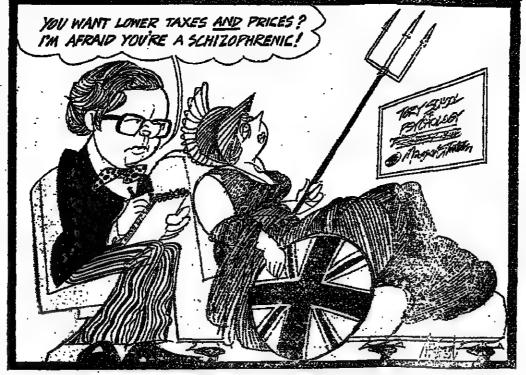
Marine Parade,

service

Downlish

Should the individual be involved in an emergency where

From Mr. A. Ferguson.



would ever be any better in future. Indeed, the longer radical action was delayed, the harder it would be to take.

The second reason is that, the state of the economy apart, the timing is not actually so very bad. After the events of last winter, the unions are unpopuling among themselves. Some former Labour ministers have noted that whatever militant

to become rather less closely company in the private sector identified with a political party or do they expect the Labour opposition to support them in every militant action they take?

asked to support a wholly unjustified union stand. In that case, the Labour movement would be divided if they said no, but it might become ever more unpopular if they said yes. Of course, the unions know this too. It may well be

sorted out. Do the unions want British Oxygen Company, a which has the kind of virtual monopoly that cannot easily be broken by relying on imports, and which has a record of The fear among some Labour making embarrassingly large politicians is that they might be wage settlements at the beginwage settlements at the begin-ning of the pay round. The Government's attitude is that the settlement this time is entirely up to BOC. If it can afford to pay, well and good. If it cannot, it will have to take the consequences. The hope is

GENERAL
UK: Sir Geoffrey Howe.
Chancellor of the Exchequer.

It is thus quite possible that Wednerday that the cuts so for . Ver there is also a subtle the next winter offensive could amounted only to "a very pre-be postponed until 1980. By limitary package." He re-then, however, a great many ferred exceedily to the Depart as Chancellor and Mr. Biffen ...

the budget. It is not quite true to say that the Tories have done everything at once. What they have done, in fact, is to prepare the way to do a great deal more next time, and in this sense the

day, it can be seen at once that there is very considerable scope for further cuts of prome fact the budget nent April. The in the pipeline.

The pipeline is not a full prome in the pipeline.

The pipeline is not a full prome in the pipeline.

The pipeline is not a full prome in the pipeline.

The pipeline is not a full prome in the pipeline. year; this year it brings; in slightly less than half of that. The full year revenues could of 2 off in coneq leroyog wolls come off income tax.

There is also the matter of the Petroleum Revenue Tan. The proposals in the badget. taken over from the Labour Government, are estimated to increase revenues to the Exchequer from the North Sea by about £1.Son in the period to 1985. That is on top of North See revenues which were already rising steadily. There. too, there is sense for further

On a much smaller scale it will not have escaped notice into their which says "in order that the Chanceller has left to prove that our policies den't himself room to roise cortain work taxes in future. The fact that he that

Government's favour that the come. unions are still thinking about Chief Secretary to the Treasury, reflectant to contemplate any what went wrong last winter, fold the House of Commons on such thing.

from a fact mouth deferment erowth can take place, even of opproved claims. It is sing in committee butters. for Re and Development the next round of tar, car, could Green for instrume, bothly be taken samply by a contenmotehos Sor Koah Juseph's rent. fronal attempt at replation. budget looks like a very carefully prepared package.

If one looks at the figures that Sir Geodrey gave on Tuesdon on Special constructions that Sir Geodrey gave on Tuesdon on Special constructions nestley, which had electly not one special constructions nestley, which had electly not one special constructions that the official, was different in

Time in hand

Thus the next budget too should be an embatious one, with its Labour predecessor. There is no reason to assume Mr duel Barnett, that the edges as yet that the Tories will of income for outs on higher referen from potting their poli-cies into agent, and they pro-bubly have time in hand. Yet more fine on the cell course. at sente stane one comes back ineverbly to these questions: will the pelicies work, and has said public expend three or their correctly judged the British psychology?

My own impression is that some Tories have learned their philosophy rather as other neanie learned their catechism. There is a sort of litary drilled work, you warld have to procethat afternative studences would work better." After the for more taxes on the consump-tion of energy. why it is determined to no its own way even if the first result:

Mr. John Paffen, the make Mrs. Thatcher yet more

other factors could have ments of ladystry and Employ- Chief Secretary. The real ments the budget. It is not quite true

ments of ladystry and Employ- Chief Secretary. The real lock cuits modest when set succeed was trait the budget the budget are succeed was trait the tovernment against the Tories aims. A term, very saving of 2145m, ditions in which economic

> We way conficulty the said quite plantly ere is more that he believed that for the forescribbe future all but the that randest commine growth was our Marcater, he aid a 75 if he did not recret the prospect in any way, indeed in a 75 its interview he accord

That is the liber man approach Mr. Busen believe in cut, in the own sake because they commisse the power or the state and not because they will erente a new British copyble of competing with France, Germany and Johnson, On the psychological point the Biffers may be right. It is no to the Critish people by it is in to the termina pumps for mile on the termina with the advantage of them to a P. Ander and to make make more money, and some will not. It may not be the in this work of an estrome narrely, but the chance of direction was worth making nanotheless. That is the best intellectual case of all for the Budget.

Malcolm Rutherft (

Letters to the Editor

Haphazard game

From Mr. S. Wilson Sir.—Again the City has been the scene of a rare old struggle for Government stock issued by the Bank of England.

This time the Bank's official representative did the handing out and the battle took place on

With no discredit to the Government broker, the allocation of stock once out of his hands turned into a haphazard game of chance.

With no discredit to the Shun rights issues for fear of Confederation of British Road depressing their share price. Passenger Transport, All in all, the equity market Sardina House, seems to be alive, efficient, 52, Lincoln's low Figure 1977.

The Bank of England has already taken steps to ensure that the Issue of stock by appli-cation has been made more orderly—could it perhaps now turn its attention to the issuing procedure followed in the market place.

Simon Wilson, 27, Just Street, SW11.

Going to market

From Dr. Paul Marsh Sir.—In an interesting article, Lex (June 9) claims that share prices normally dip sharply when rights issues are announced; that subsequent price weakness is likely because of the increase in shares; that finance directors try to time issues to coincide with a high rating for their shares; and that based on recent experience, this is all too likely to be bad timing for the shareholders.

for the shareholders.

These are serious claims. If they are true, they suggest that the Stock Exchange is an inefficient and illiquid market as a provider of funds. The impression gives is that the market as the stock of the pression given is that the market reacts with alarm and dismay to the news of an issue; that the additional supply of a single company's shares causes serious market indigestion leading to significant price falls; that finance directors attempt to fool new shareholders; and that investors are consistently over optimistic in their assessment of the prospects for companies

amouncing rights issues.

Leaving aside the past year, these claims are not borne out by the historical record. A recent study examined all rights issues made on the London market between 1962 and 1975 (over 1,000 issues in all). This tudy found that, on average, less fell by only about a half cent when the issue was

From the Secretary. Confederation of British unced. Furthermore, price Road Passenger Transport ments on both the mement and ex-rights were completely unrelated plamount of money raised.

is little evidence of any
andigestion caused by vehicles, prompts me to describe the "Fuel Saver" the Confederation of British nally better than the

> things really figures Lex quotes even largest issues reduce the number of empty runs — and make the most of their limited supplies of derv.
>
> It is in the national interest 4 January 1978 and This group of market in terms market in terms of the same of

appointing results. While this is true, it may also be a reflection of the recent poor performance of large companies as a whole, irrespective of whether they have made rights issues. But whatever the reasons, it is, consideration from the Government solicitors seeking in the future. It is our response articles in local government are to the plea by the Secretary of a case in point. High local government earnings have to cut oil consumption at once, they have made rights issues. We in turn look for the fullest one of the sense of public duty consideration from the Government which once was the hallmark of the Town Clerk (usually a as Lex very fairly points out, inappropriate to generalise from this small sample of seven. public transport services with a "fair shares for all" policy of fuel, allocation in this transport sector. Indeed, from all of the evidence based on large samples, it is quite clear that companies with

Representation Dr. Paul Marsh. (Lecturer in Finance), London Graduate School of the people of Business Studies, Sussex Place, Regent's Park, NW1. From Mr. A. Beeron

Sir,—Why is it that everyone, including the admirable David Steel, refers to our antiquated and undemocratic voting system as "first past the post"? It must be to give it some semblance of respectability—subconsciously suggesting that the "post" is 50 per cent of the "post" are to the "post". Sir, — While the Inland Revenue may be exacting, that august body is rarely unreasonable. There can be no question that when an employee travels to work, he or she foots the bill for so döing. When an employee is called from his bed to deal votes cast. In reality the " post " not exist, as the person with the most votes is elected regardless of how few he or she

may get. The reason why the Conservative and Labour parties persist with our unfair system for Westminster is simply because it gives them an alternate share of absolute power. Hence our decline over the last 30 years, while our European partners have had "strong" Govern-ments which have reflected tho

voters' preferences. The Labour party prides itself on its democracy, the Tories preach about "freedom." Well, let us see a true democratic House of Commons, with "freedom" for electors to be represented by people of their

Ashleigh, 1, King Edward Road, Saltash, Cornwall.

Proper levels of pay

Legal Association.

Sir,—I do not dissent from the view of Mr. G. E. Daniel, Treasurer of Nottinghamshire County Council (June 12), that Civil Servants and local government officers, among others, should receive "a proper level of pay" but this leaves open the question of what that level should be for senior and junior Sir,—Mr. Peter Brennan's letter of June 9, referring to staff alike. The National and Local Government the pattern of movement of Association is reported to be empty and fully laden goods claiming a minimum wage of £60 per week for, inter alios, onal supply. In the describe the "Fuel Saver" "novice typists," while for the issue, share service for coaches which is to advertising in newspapers and imance was, if any he launched next Monday by fournals demonstrates all too clearly the degree of overspending by local government in recruiting staff. Salaries (including fringe benefits) are

individual. The result of local governenergy and, if they have a one that this behaviour typical. During they can use the direct telephone line to the companies made the return leg of the journey to travel on the return leg of the journey and fill the empty seats on the that the poor the coach.

This is a sensible way to the present this makes recruitment difficult and leads to dissatisfaction amongst employees. Solicitors in private practice are particularly hard hit in this regard. The absurdly high wages offered to ment free spending over many

lunch, Guildhall, factories in Scotland. ment—and the oil companies the Town Clerk (usually a — in maintaining essential solicitor) and his staff. They are there for the high salary and the relatively easy life, with a pension to follow. As a consequence of the lowered level of competence, responsibility and concern of many local goverament employees, and the "closed shop" mentality which prevents competition for many important posts from those out-

empire building is rife, staffing levels increase unnecessarily and ratepayers (and taxpayers too, through central government grants, etc.) foot the ever increasing bill. I shall believe in Mr. Daniel's

for higher salaries for chief ers when I see that they recognise the true position and will strongly urge their employ-ing authorities to take the necessary steps to remedy motters and to stem the tide of bureaucracy. 29 Church Road

Royal Tunbriage Wells, Kent.

Manifesto Budget

From Mr. P. Minton

Sir.—One does not expect such a facile half truth from the Financial Times as appeared in your leader "Manifesto Bedget" (June 13). Six weeks ago the country did not vote for a radical change of direction-a proportion of the popuof those who voted did so against such a change!

As a Liberal candidate I supported the party's policy of a switch from direct to indirect taxation. This change, however, was coupled to a slower rate of shift than now proposed with the people at the bottom of the income pile getting the first benefits of income tax reductions. In addition, our pro-gramme was geared to necessary restraints on prices and incomes to ensure that the division of the "economic cake " was a just one.

I have no doubt that the Chancellor of the Exchequer, well intentioned as he may be, will by early next year be desperately trying to foist a "voluntary" incomes policy upon the country-as did the last Conservative Chancellor of Exchequer, and failing as the miserably. Peter K. Minton. Underwood,

Freedom of belief

Whitchurch, Reading.

often far too high in relation to the experience demanded of applicants, and the work load From Mr. B. Adkins. and responsibility carried by the

Sir, - Why on earth should Mr. Harold Borrott (Letters, June 7) or anyone else have to prove to an industrial Tribunal that he believes in God in order to get permission not to join a trade union? And by what protention to spiritual authority does the said Industrial Tri-bunal claim to know whether or not such a person's religious Guarcoed Farm, Lampeter,

Today's Events

addresses London Chamber of President Brezhnev meet in Vienns to sign SALT II, and for three-day summit meeting. Commerce and Industry annual Sir Kelth Joseph, Industry Secretary, visits shippards and Airlines flying DC-10 sireraft

meet in Zurich to discuss Prime Minister Andrentti of Indian Prime Minister Moraryl Desai on second day of Polish

Italy visits London for talks and working lunch with Mrs. working lunch with Mrs.
Margaret Thatcher.
Crown Agents publish annual report and accounts.

Esse: County Show opens,
Chelmsford (to June 16).

Overseas: President Carter and

OFFICIAL STATISTICS Retail prices undex (May). Index of industrial production

(April-provisional).

COMPANY RESULTS

House of Commons: Debate on CAP price proposals, 1972-80, and related EEC documents.

Interim liquies: Tomkinsons

COMPANY MEETINGS. IN PARLIAMENTARY BUSINESS Aliebone, 9 Station Road,

Kottering, Northantse 12. i. J. Dewburst, Rayal Station Hotel, York, 12, E.C. Cases, Vorest Road, Tallwoll, Cardiff, 12. Final dividends: Estates and Azeney Holdings. Ferguson Industrial Holdings. Milbury. Hall. Hatel Rossell, Russell Industrial Holdings, Milbury, Hall, Rate Rosell, Russell Pilkington Broders, Jonas Square, W. 12, Hegas and Hill, Wordhead and Sons, Interim Wolders Hotel, Aldaych, WC, dividends: Arthur Guinness Son 12 15, Roberts, Adlard, 216, and Co. Arthur Lee and Sons, Pall Mall, SW, 12, Silhouette, Raeburn Investment Trust, S4 Baker Street, W, 3,



The Palomino Vine. Where craft and nature combine to make a classic sherry.

Without the vine there can be no grapes. Without the grapes there can be no sherry. The tending of the vines is therefore the very basis of a classic sherry.

Centuries of experience have developed the craft of viticulture in the hills around Jetez into an art. Grafting. pruning and training the vines all play their part in aiding and . abetting nature to produce the finest sherries. Only in this way can the special character of the native soil and the unique ripening power of the Spanish sun fulfil their promise of classic sherries to come.

Time too has a role to play. For it takes fully three years for



a newly planted vine to produce the Palonimo grapes needed. After the grapes have been gathered, pressed, and the fermentation completed, the wines reveal their individual characters and the long process of maturing a classic sherry begins.

The classic into is very pale in colour and very dry to taste with a subtly delicate bouquet. Luncheon Dry is just such a lino. Serve it chilled to appreciate fully its true character.

The classic amontillado is allowed to mature for longer in the cask, taking on a richer colour and a subtle nutry flavour. Such is the character of Club Amontillado. 🗀

Luncheon Dry & Club Amontillado. Two classic styles of sherry from Harveys of Bristol.

ing that the Modern Maid acquisition had suffered a "disappointing" \$2m first-quarter loss, including non-recurring costs. At the Wimpey annual meeting, the chairman revealed that the group's tax liability for 1976 has been agreed, which has permitted a release of E9.12m from the tax provision.

Chloride profit up 16% to reach record £29m

to £29m on a 13 per cent rise. The group met strong competi-in third party sales to £346m are tion in Europe, mainly due to reported by the Chloride Group overcenacity in the battery reported by the Chloride Group for 1978-79 and the Board expects the growth to continue in the current year.

The profit improvement in the despite increasing competition, overcapacity in the battery overcapacity in the battery industry and disappointing growth in the world economy, the directors say. All three group regions contributed to the profit

are 20.4p (17.6p) before tax and are 20.3p (17.5p) before tax and 13.8p against 10.3p net. On a nil basis, earnings are 16p (12.5p). A final dividend of 4.6p lifts the total from 5.1952p to

The group's return on net assets improved from 17.5 per cent to 18.8 per cent. SSAP 15 has been adopted and the 1978 comparative figures have been Net borrowings rose from £64m

at March 31, 1978 to £73m at March 31 this year. The direc-tors note the exceptional price of lead-now thore than double what it was a year ago—a level-ling off in capital expenditure and firm control of working automotive area.

	overcapacity	111	пе	υa	ttery
				Ye	181
•					1977-
				1979	1978
				£m	Em
	Europe Sales				
	Batteries—Auton	sotive		59.1	
	Indua	triain		85.0	68 8
	Standby and set	curity .		36.3	30.5
	Special products			96.9	83 4
	inter-company s	ales		81.1	63.2
	North America .			68 4	57 B
	Austrolasia Asia			25.4	24 3
	Asia			26.8	24.7
	Alrica			293	29.5
	Alrica		[CARLET	306.2
	Europe profit				
	Batterias-Auton	native		3.2	4.4
	Betteries-Auton	tpa/*		78	5.1
	Standby and sa	curity		2.7	2,1
	Special products			50	5.6
	North America			5.2	2.2
	Overseas:				
	Australasia			1.7	09
	Asia			5.0	4.7
	Africa			37	47
	Operating profit			35.3	29.7
	Associates shar	r a		1.3	0.9
	Interest			7.6	5.5
	Profit before tax			29.0	25.1
	UK tax			3.2	48
	Overseas tar			6.9	5.7
				18.9	14 6
	Net profit . Minanties			14	1 6
	Extraordinary del	bit		0.2	
	Dividends			7.8	6.5
	(114411011013 11 111			0.4	

Retained 9.5 6.5

The more than doubled profit Net gearing at the year-end of Chloride America was due to was 61.3 per cent (57.9 per cent). Increased volume and an Adequate horrowing facilities for improvement in margins, particularly in automotive business. The hoard stated. Capital expenditure levelled results from most companies, in-

cluding an improved performance from Australia. The politicul and economic upheaval in Zaire, including the effect on exchange rates, adversely affected results by £0.5m compared with last year. The adverse effect on the region as a whole due to exchange rate movements was £1.0m.

Over £3m for Ocean Wilsons

WITH TURNOVER much higher at £42.96m compared with £29.24m, taxable profits of Ocean Wilsons (Heldings), 'investment holding company, advanced from £2.68m to a record £3.18m for the year ended January 31, 1979. At half-time, when profits were up from £1.5m to £1.75m, the directors said indications were that the full year result would not be less than for the previous

From earnings per 20p share ahead from 11.2p to 13.27p, the dividend total is lifted to 3.5p (2.875p) net, with a final of 2.5p, At year-end, market value of listed investments, at £4.31m

Braby Leslie shows £0.3m fall

interim stage, full year results of Braby Leslie, mechanical and civil engineering group, failed to match the record figures of 1977-78. After a midway fall from £1.16m to £1.04m. pre-tax profits for the year ended March 31, 1979 were down at £2.09m

compared with £3.39m.

The directors report that the satisfactory result was achieved despite the poor business climate and the effects of the road haulage strike in January.

They say the year began with order hooks in certain subsidiaries at reduced levels and this trend continued throughout the period. In spite of this, most subsidiaries dividend of 3.009p effectively produced good, and in several lifts the total payment from 4.418b to 5.009p. which is 0.129b cases, record results.

improved performance was reflecting the reduction in ACT. orders. The share S. Briggs and Co., where profits were some 2500,000 lower. The credit of 2323,000 (£7,000) (fully taxed) of downturn here was due to relating to the profit on the sale of 11.2 per cent.

out that Briggs' results must be viewed against the exceptionally favourable conditions in 1977-78, when its profits reached a peak, more than £400,000 bigher than in any previous period

The group's 1978-79 results should be seen in this should be seen in this perspective, they add. After tax of £512,000 (£383,000) haulage strike in January. net profits for the period decreased from £2.01m to marginally shead from £31.38m £1.58m. SSAP 15 has been

An exception to this generally above the forecast level. reflecting the reduction in ACT.

with confidence."

* In a trading environment beset by low

U.K. the Group profit represents a

contribution to turnover and profit.

performed particularly well and is

Turnover

Dividends

Trading profit

including exports

Profit before taxation

Profit after taxation

Earnings per share

* Capper-Neill International Division has

mainly responsible for the Group being

* Site construction of process plant

continues to make the biggest

margins and industrial disputes in the

modest, but not unsatisfactory increase.

PROFITS £5.5 MILLION

EXPORTS £31 MILLION

"Once more the Group has started the year with a strong

order book . . . continued expansion overseas, in many cases

on a permanent basis, remains the basic philosophy behind our future plans...the Directors continue to view the future

Other highlights from the Chairman's statement

GROUP RESULTS IN BRIEF

For a copy of the full Report and Accounts write to The Secretary, Capper-Neill Limited, Warrington WA1 4AU.

Capper-Neill &

89,897,214

31,341,481

6,175,120

5,536,625

4,701,082

854,077

18.28p

for the year ended 31st March 1978/79

competition and a in March of Tam's Loup Quarries decrease in orders for brewing to Pioneer Aggregates (UK).
equipment.

After dividend payments,
However, the directors point retained surplus emerged at

£1.39m against £1.57m. Net tangible assets per share at the year end were 88.4p

comment

Braby Leslie's smaller subsidiaries had record results. But the larger members of the group were hit by tough competition and a drop in demand. The £500,000 shortfall, while Auto Diesels, like most portable power companies, found its export markets cut by troubles in Iran and Nigeria. This ied to a drop in total group exports from £5.7m to £4m. Margins are under presfor a record workload, but this has yet to be converted into firm orders. The shares fell 5p to 68p. Yesterday, giving an historic p/e (fully taxed) of 6.7 and a yield

W. P. Capper, Chairman

awarded The 1979 Queen's Award for

* Satisfactory progress continues on the

* Capper Pipe Service Division increased

gross from 3.1944p. Total dividends

1977/78

£

69,125,197

23,779,913

5,519,420

5,225,976

4,624,644

489,854

Total dividends increased to 4.75p

of 6.0p gross forecast for year to

£25 million sugar construction scheme

Export Achievement.

at Kenana in the Sudan.

both turnover and profit.

31st March, 1980.

DIVIDENDS ANNOUNCED Date Corre Total Total of spouding for last

,	Carrent		Shorming		1926
	payment	payment		year	year
Alpine Drinks	4.96	July 20	4.4	7.37	5.6
Amber Industrial		Sept. 14	. 0.54	0.63	0.54
Applied Computer	0.7 "	Aug. 4	0.7	0.7	0.7
Avenue Close		÷	1.63	1.79	1.63
Bell and Sime	. 4.51	July 20	3.89	5.38	4.77
Braby Leslie		Aug. 3	2.71*	5.01	4.42*
B. & C. Shipping	. 5.84	Aug. 3		10.59	9.33
Brown Shipley		July 28	5.26 -	10.61	9.34
Caledonia Invest	5.53	Aug. 6		9.65	8.5
Chloride		Aug. 14	3,85	6,1	5.19
Control Securities	0.65	_	0.83	0.95 .	0.83
Corn Exchangein	t. 2.5	Aug. 1	1.1	¶	2,23
Crosby Spring	. 0.55	July 26	0.44	0.79	0.65
DOM		Aug. 10		5.19	4.64
Dominion & Gen	. 6.75	July 24	6.25	9	7.75
Electra Invest	. 3.8	July 31	3.5	5.8 .	5
Elswick-Hopper	. 0.55	July 31	0.5	1	0.9
ECCin	t. 2.81	July 18	1.93		3.97
Wm, Leech		_	3.5	6.64	6
Ocean Wilsons	2.5	July 27	1.88	3.5	2.88
Pauls & Whites	3.18		2.79	4.93	4_29
Plysu	1.21	July 27		1.89	1.38
Plysu	1.55	Aug. 11	1,35	2.1	1.9
Robertson		_	4.35	6.3	5.72
Sekers		· —	0.82	2.1	1.51
Sound Diffusion		Sept. 1	1.22	1.6	1.22
Staveley		_	5 .	10.47	13.5
Valor		Oct. 1	1.43	2.49	2.14
W			4bana a	+komuris	a state

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Additional 1.53p to be declared on August 1. § For 18 months. ¶ Final expected to be similar to interim.

Hestair chief comes under heavy fire

a rough ride by shareholders vesterday during a lengthy post mortem on the group's 1978 trading losses.

Hestair's results in the 12 months to the end of January showed that the previous year's taxable profits of £4.16m had siumped to a pre-tax loss of

Several shareholders at the annual 'meeting' yesterday suggested that insufficient warning of what was to come had been given at the time of last May's near £3m rights issue. They also wished to know why the hoard had expressed con-fidence last September in the outcome for the second six

In reply Mr. David Hargreaves, Hestair's chairman, pointed out that the rights issue document had forecast lower first half profits. He added: "We did not expect the sudden and spectacular change in environment in the international markets in which we operate."

Explaining last year's turn-round, Mr. Hargreaves said Hestair's special vehicles division had lost £211m in cancelled orders in the second half of the year: These included some highly profitable orders

The directors of Hestair, the for spares which, he claimed; special vehicles and farm cost the company £1.5m in equipment group, were given profits alone.

The main reason for the company's "fall from grace", however, was the "extremely severe and unprecedented drop in the demand for farm equipment." Demand for potato ment." Demand for potato harvesters had fallen 80 per cent in two years.

Asked why some of the directors did not take up their full rights entitlements last year, Mr. Hargreaves said that in his case he would have been forced to borrow money to pay

that had he taken up his full entitlement and taking into account interest (which is not offsetable to riax purposes) and capital repayments over five. years, he would have been pay-ing out more than £20,000 a year and receiving less than £150 in

Asked about salaries and wages at the company he said that onl yone director had received more than a five per cent increase in the past 12 months while employees in only one company in the group had received more than an eight per cent pay rise.

Looking ahead, Mr. Har-greaves said the group was con-centrating on reducing the special vehicles division's vuinerability to Middle East markets. In the area of farm equipment he stressed the need to develop new products and said the group intended to achieve a more equal long term balance between sugar beet harvesting and potato harvest-

McLeod Russel setback

Taxable profits of McLood Russel and Co. were halved in the year to March 31, 1979. The surplus dived from £8.52m to an estimated £4.25m.

estimated £4.25m.

The group; which has tea estates in India and Rhodesia, saw profit from India fall from £8.05m to £3.83m. The Board says the sharp decline was anticipated following the fall in the prices of world warders and tea prices on world markets and steadily rising costs. In addition the export duty, which was not removed until February this year, had a severe impact on

The surplus a tiributable to ordinary shareholders is, down from £2.82m to £379.000. Last year's figure was boosted by more than £1m from the liquidation of holdings in which group companies had significant

The gains this year are considerably reduced. But the Board says the group's totalinvestment in this area has now increased and the excess market value over cost of UK quoted shares at the year-en was £2.23m, against only £601,000

a year previously.

The directors intend to recommend an unchanged net dividend of 13 p per share for the year. Stated earnings are down from 43.31p to 11.25p.

Control Securities cash call

TOGETHER with the full-year results, Control Securities has announced a rights issue to raise some £345,000.

Taxable profits of the property concern jumped from £43,681 to £141,085 in the year to March 31, 1979, on higher turnover of

1979, on higher turnover of 1979, on higher turnover of 1979, 842, against 5540,912.

At midway, reporting a turnound from a £17,594 loss to a 192,227 profit, the directors were

confident of an increased surplus in the second half. After lax of £137,827 (£39,559). stated earnings per 10p share are more than doubled at 2.24p (1.04p). The net final dividend of 0.649p lifts the total to 9.949p (0.825p).

The terms of the issue are one for-five at 30p. After this, a one-for-ten scrip is proposed. The dividend for the current year is forecast at 2p gross on increased The company is a subsidiary of Labotund of Switzerland.

Dull finish by B & C but meets profit target

HIGHLIGHTS

PROFITS before tax of the British and Commonwealth. Shipping Company were down from £29.3m to £26.6m in the year to December 31, 1978, but the profit figure is in line with expectations at midway. When reporting first half profits of £13.27m assenst £15.67m, the directors said indications suggested second half profits would approximate those of the first six months.

The board now says that although it is too early to give any firm prediction of current year results, present indications are that pre-tax profits will not be dissimilar to the £28.85m now reported which is struck before a £2.29m share of exceptional Tex discusses the sharp post-Budget shakeout in the gilt-edged and equity markets as the inflationary and interest rate implications of the Chancellor's measures were absorbed. Results from English China Clays, British and Commonwealth Shipping and Chloride are also analysed. ECC achieved a near fam pre-tax profit upturn, akhough this is still some way short of the peak and Chloride staged a similar gain to £29m. The shipping group, however, suffered a downturn. Elsewhere, the chairman of Spillers told shareholders at the annual meeting that the Modern Maid acquisition had suffered a "dis-

a £2.29m share of exceptional currency loan loss of an

Turnover
Profit
Depreciation
Operating profit
Dics, and interest
interest payable.
Associates profits
Exceptil, currency
loan loss*
Profit before tax.
Associates tax
Minorities
Extraord, credit
Minorities

Of an associate, Earnings per 50p share are, shown at 26.2p against 34.5p and 33.2p (34.5p) adjusted to exclude the associate's currency loan loss. The final dividend is 5.8378p lifting the total from 9.33347p to 10.5878p.

Profit on sale of ships was 1901,000 (£278,000), additional depreciation was £1.75m on floating supply base ship and realised currency loan losses, £469,000 against £1.22m.

Investments

Caledonia

loss (2.748 profit); air transport profits up from £3.2m to £3.63m and helicopter operations, 9.946 in the year ended March 31. (9.627); aviation support, 4.203 1979, on turnover of £6.87m against £5.54m.

Profit attributable to ordinary stockholders improved from £1.9m to £2.2m, in line with directors expectations at midway of an improvement of some 10

directors' expectations at midway of an improvement of some 10 per cent for the year.

Stated earnings per 25p stock unit are 12.43p against 10.58p and the final dividend is 5.5258p making a total of 9.6508p compared with 8.50141p.

Turnover of the subsidiary, Amber Industrial Holdings improved from £3.03m to £3.36m

in 1978-79 and pre-tax profit was £391,213 compared with £361,338. 5.8378p lifting the total from LHVCSLINCHIS

9.33347p to 10.5878p. Caledonia Investments, which shown at 6.99p (6.06p) and the An analysis of operating profit has a substantial interest in dividend is increased from shows (in £000's), shipping, 647. B & C Shipping, reports prestar 0.5246p to 0.6354p nct.

Staveley at £11.3m and expects further growth this year

Mr. Hargreaves calculated THE directors of Staveley Indus- after the bad winter weather, that had he taken up his full tries amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of while the entry into micro-techentitlement and taking into first amounce turnover of the control of the entry into micro-techentitlement and taking into first amounce turnover of the entry into micro-techentitlement and taking into first amounce turnover of the entry into micro-techent £182,99m and profits of £15.02m for the previous 18 months annualised to £121,99m and

£10.01m respectively.

The directors expect further growth in the current year, mainly during the second half. Earnings per £1 share are given as 62.6p (56.2p immalised). The directors recommend a final dividend of 5.97p and a man invidend of 5.979 and intend to declare an additional 1.539 on August 1, making a total of 129 amount paid for the previous 18 mouths was 13.5088p.

With the exception of the foundary products and abording

foundry products and abrasives group, all product groups improved their profits, the directure state.

• comment

Staveley's impressive growth second of the past seven years has virtually been haifed. On an annualised basis, 1978-79 profits are only 12 per cent higher, due mainly to the difficult trading conditions in the engineering sector. In addition, the company had to contend with the effects of strikes and had weather—factors, in addition to the escalating price of scrap, which depressed foundry profits. In the current year, however, the prospects look considerably brighter. On the mineral products side, demand for salt from local authorities is high because stocks were run down

full-year profits from the new acquisitions. On the foundry side, the extraordinary problems of the past year are unlikely to recur. At 300p the shares sell on a p/e of just under 5 while the yield of 6.1 per cent is more in line with

48% growth at Sekers:

pays 2.1p
IN SPITE of a disruption to trading caused by the haulage strike, pre-tase profits of Sckers International rose by 48 percent from 1216.242 to 1468.512 for the way added 3 feeting 12 for the year ended March 31, 1979, on turnover well up at 27.34m against 55.42m.

Turnover 7,341,000 5,421,000 Depreciation 26,561

In February, at the time of the two-for-seven rights issue, the directors forecast a substantial further mance from its bankers.

£215,100 (£133,500).

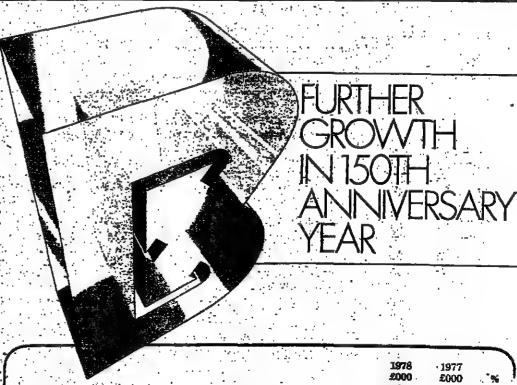
The directors now say that all the UK sections contributed to the improvement, the New Zealand subsidiary having been sold during the second half. The and the loss on sale, were not material, they add, and are included in the pre-tax figure.

Before the exceptional item earnings are shown as 8.78p (4.08p) per 10p share and the dividend is increased to 2.1p (1.514p) net with a final payment of 1.35p.

Brittains omits pref. payment

Brittains, the Staffordshire-based paper group with interests in engineering and insurance and which is backed by Equity Capital for Industry, is not to pay the June 30 dividend on the 8 per cent convertible cumulative redeemable second preference

The group came to its decision after a Board meeting yesterday trading and financial position. Brittains has experienced a host of trading problems major reorganisation programme, shutting down or selling off those of its interests not involved



Turnover Profit before taxation Profit after tax attributable to shareholders Earnings per share Dividend per share Return on average capital employed%

29,276 25,041 +17 1,886 439 7.42p5.03p 2.00p 1.50p 19.0

Points from the Group Chairman's Statement: • 150 years of trading marked by record

turnover and profits. • 1 for I capitalisation issue to bring share capital more into line with the assets

employed. • 33% increase in dividend includes a 5% special bonus dividend to mark the 150th . . Amiversary of the Boustead Group. Board expect to maintain a total :

dividend of 15% for 1979 on enlarged share • Results for the first quarter of 1979 are

watisfactory and confident of further than improvement during the year.

The Group's activities include commodit engineering, manufacturing, marketin; distribution, plantations, shipping and services and it has operations in Asem

Storage, pipework, materials handling and complete process plants for world industry

وكذامن الأمل

Valor up 28% to £2.1m on increased sales: scrip

AN INCREASE of 28 per cent in more concerned if the Budget profits from £1.66m to siderable confidence." £2.14m is reported by the Valor had raised gas prices. Company, gas appliance maker. for the year ended March 31, 1979, and the directors are fore-casting a record result for the current year.

The final dividend is raised from 1.433p to 1.719p making a total of 2.491p compared with 2.135p. A one-for-five scrip issue is also proposed.

Turnover rose 12 per cent from £37.58m to £42.11m. The directors point out that the year's results would have been better had not deliveries been affected by the haulage strike and consequent industrial disruption in the tast

Basic earnings per share are stated as 17.37p against 10.4p and 15.78p (9.76p) fully diluted. Net profit was £1.85m (£1.45m), before a final write-off of £127.837 on the Iran investment. The directors say a sum of £432,090 has been recovered from £559,927 originally invested and is deposited in an Iranian bank. In view of the situation in Iran they regard the outcome as satisfactory.

Looking to the current year the directors say the group con-tinues to launch new gas appliances; many of them setting new standards in gas technology.

Mr. Michael Montague, chairman, says he does not expect the extra VAT on gas appliances would have much effect and "we

comment

The market is still waiting for evidence of a strong, sustained evidence of a strong, sustained recovery by Valor's gas cooker manufacturing subsidiary. The Liverpool factory has been reorganised and space has been given over to production of heaters. This has helped but the cookers are still acting as a drag on profits. Heater sales have held up well and new lines have added to overall margins. More products, planned for this year, will continue the upward trend, National strikes hit the motor components subsidiary slightly, and the lorry drivers dispute held up deliveries in the final quarter. But the most damaging industrial action was that taken quarter. But the most damaging industrial action was that taken by Valor's own workers, at the Liverpool plant. Internal and national disputes cost the company between £300,000 and £400,000 in pre-tax profits. The shares dropped 9p. 20 74p yesterday giving a p/e of just 4.2 on stated earnings and a yield of 5.1 per cent.

Electra inv.

of 5.1 per cent.

Profits of Electra Investment Trust, an Electra House company, expanded 15.55 per cent to £3.05m in the year to March 31, 1979, compared with £2.64m would have much effect and "we last time. The surplus was wew the coming year with con-struck after tax of £1.78m, He said he would have been against £1.74m.

per 25p share is ahead of the This lifts the total 16 per cent

Gross revenue is up from f4.98m to £5.49m. Stated earnings are higher at 6.244p (5.403p), and net asset value is shown at 1632p (1392p).

Applied Computer on target

Applied Computer Techniques (Holdings) turned in taxable profits of £372,455 in the year to March 31, 1979—in line with the forecast of not less than £360,000 at the time of the placing of 10 per cent of the capital three months ago.

Last time, the surplus totalled \$246,373. Turnover rose from \$2.11m to £3.11m. Mr. Lindsay Bury, chairman, says the current year has started very well in all divisions

As expected, the net dividend is held at 0.7p per 10p share. Stated earnings are higher at 8.41p (5.67p). Tax took £148,600 (£105,228) There is an extraordinary debit of £72,936 (£33,975), and dividends absorb £21,393 (£21,204), leaving retained profit at £129,526 compared with £84,166.

NEI tendering for contracts in China

ability to develop business in competition. This had not been many overseas markets," Sir helped by the industrial action James Woodeson, chairman of at the Hebburn plant in the Northern Engineering Industries, latter part of 1978. told shareholders.

"NEI had submitted comprahensive tenders for turnkey

coal-fired power stations for China," and he expected that the technical team would shortly be invited out again for more "Final negotiations, I hope,

rinal negotiations, I nope, will commence towards the end of the year," but he added that they are expected to "be tough and protracted." Commenting on trading else-

where in the group, Sir James said that it had been necessary to reduce the employment levels in certain units: this had included Wolverhampton and Gateshead

through a difficult phase because

REPORTS TO MEETINGS

Spillers' Modern Maid loss in first quarter

roup, has run into losses in its Modern Maid subsidiary in the U.S., Mr. Michael Vernon, the group chairman, revealed yester-day.

Addressing shareholders at the annual meeting, he said that in the first quarter of the current year "our recent acquisition in the U.S., Modern Maid, did make a loss. This is a disappointment because Modern Maid is a company very well placed in the American food industry and its sales are growing strongly. The problem has really been in the factory in Indiana which was commissioned before we took the business over."

Mr. Vernon explained that the new operation had suffered from design faults and mechanical failures, but, he added, "we feel that we have got to the problem there." problem there."

After the meeting the company revealed that the losses in Modern Maid were running at about \$2m in the first quarter but that was after substantial non-recurring provisions for promotional costs, increased freight and fuel bills, pension fund contributions and other items which in all accounted for

1976 has now been agreed with on current trading elsewhere in the group Mr. Vernon told shareholders "we got off to a good start this year. Volume sales have been pretty buoyant throughout the group. In the first cuarter our profes in the IIK the Inland Revenue. The basis o ftheir assessment of 1976 profits has permitted a release of £9,12m from the tax provision, and the company is not now attempting to obtain tax benefits quarter our profits in the UK have been up to budget." from the special transactions. On current trading he said operations had been affected adversely by the weather condutions in the UK. It means that

Wimpey gets tax release

Mr. Reginald Smith, chairman of Wimpey Construction UK, has told shareholders that the group is not now seeking to obtain tax benefits from "special trans-

Mr. Smith said: "At our annual general meeting in June, 1977. I pointed out the effects of SSAP 9 accounting standard which would have resulted in an immediate. immediate and substantial in-crease in the company's tax liabilities and caused major cash flow problems. Accordingly your directors employed certain special transactions designed to reduce materially the company's tax liabilities and remove cash

flow difficulties.

The company tax liability for

warning Sir Maurice Laing, chairman

John Laing

of John Laing and Son, the building and civil engineering contractor, told shareholders that "for the next two or three years it is not going to be easy to make adequate profits in the construction industry."

once again the first-balf figures

The market for private houses

had remained buoyant and the recent acquisition of Donald Moody would improve the return

The loss of work in Iran was a great d isappointment after years of solid effort. However, Wimpey was expanding in North America and pursuing promising

opportunities in the Fas East and

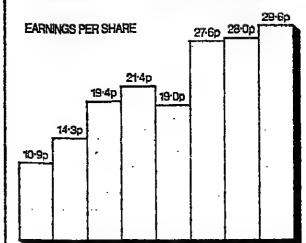
would not be exciting.

on this sector.

South America.

Sir Maurice said: "I will not at this stage forecast the likely level of profitability for 1979 except to say we will be fortunate to reach the 1978 level. and we will certainly not do so in the first half,"

Record **Turnover** and Profit



"In 1978 our turnover and profit once again reached new record levels, turnover rising 25°, to £58,488,570 and profit before tax increasing by 14°, to £4,023,919. The dividend for the year is increased by the maximum

1972 1973 1974 1975 1976 1977

The combined operations of the United Kingdom and East Africa in the last seven years have resulted in a growth of earnings per share of over 170",...

R. L. Doughty,



Distributors of motor vehicles and motor components; distributors of paper and board products. If you require a copy of the 1978 Report & Accounts please

write to the Company Secretary at:-Marshall's Universal Limited, Marshall House, 468-472 Purley Way, Croydon, Surrey CR9 4BL

Alpine Drinks little changed

BAD WEATHER, an increased its order book in the second half loss on the leisure manufacturing and the directors are hoping for an improved result this year. side and development costs cut into the profits of Alpine Soft Drinks. In the 52 weeks to March 31 this year the group's turned in taxable profits of £13.54m. In the previous 53 weeks the surplus was £1.54m and turnover on limited eredit through a number of £13.54m.

At midway the company was marginally shead with pre-tax profits of £927,424, against £920,679.

The bad weather, particularly in the last quarter, bit the soft drinks side and there was a £416,000 sales shortfall, compared with internal budgets. The weather also affected the expansion programme. .

The leisurewear manufacturing operation made a loss of £120,691, against a £5,975 loss. Curtis Hood Leisurewear, which is being reorganised improved

LANGE LESS LANGE

on limited eredit through a newly-designed catalogue. The group intends to leanth the first catalogue over 50 rounds in the Midlands this July. Marketing and cash collections are through the Alpine Soft Drinks system. The directors do not expect a

The directors do not expect a major profit contribution from the new offshoot this year. But overall they expect to make up some of the ground lost in volume sales, and to see further progress on the soft drinks side.

After tax of £789,200 (£787,000) the net profit 12 down from £742,395 to £721,515. Stated earnings per 10p share have fallen from £14.7p; to 14703pg £2.

7.37p. The managing director has waived his entitlement to interim dividends on 1,109,406 shares and to the final on 1,106,406 shares.

DE LA RUE LIFTS FINAL DIVIDEND

The directors of the De La Rue Company announce that, following the reduction in ACT to 30 per cent, the net final dividend for the year to March 31, 1979, has been increased from 7.147p to 7.467p. This maintains the gross equivalent at the maximum permissible 16.5p.

As forecast in the preliminary statement earlier this month, there is being paid a special interim of 6p gross, equivalent to 4.2p, net, for the current year. This redects the removal of divi-

"Our future is becoming of shortage of demand, increased increasingly dependent on our overheads and extreme overseas

China, he said, is a market "which could have a great potential for NEI.

detailed technical discussions.

At present Reyrolle was going

Tookite Limited CHEVICAL& CARBON A S SKALAND GRAFITVERK

Berec Group Limited Developing the future in portable energy

The modest increase in Group sales and a decline in Group profits indicate clearly that our new products continue to be a charge on our profits.

Profit margins on conventional battery sytems, particularly zinc carbon batteries, continued to be eroded at home due to rising costs particularly salaries, wages and overheads that we were not permitted to recover by the U.K. Price Commission.

Overseas, fierce competition in some countries and import controls by Governments eroded both our exports from Britain and our overseas turnover and

pronts.		
Key Annual Figures to:	3rd March, 1979	25th Feb., 1978
Sales to third parties	£'000 214,852	£'000 194,033
Group profit before taxation derived from:		
Domestic sales	11,128	9,022
Overseas sales	9,088	15,210
Associated Compani	ies 83	1,158
	20,299	25,390
Profit attributable to parent company's shareholders	9,564	17,415
Earnings per ordinary share	16.4p	21.9p

Dividend per ordinary share

We are striving hard worldwide to identify tomorrow's products, to develop new techniques and to train our people in new skills to serve new

Greater diversity of markets, a wider range of products and improved production facilities should ensure substantial growth opportunities for the Group in the future."

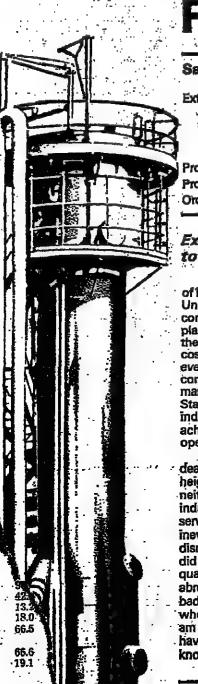
Lawrence W. Orchard Chairman



Berec Group Limited

Formerly Ever Ready Company (Holdings) Limited.

If you would like a copy of any of the following please tick the appropriate box/es, complete the coupon and return it to: The Secretary, Berec Group Limited, Berec House, 1255 High Road, Whetstone, London N200EJ 1979 Annual Report 🗌 Corporate Booklet 🗍 Employee Report 🗍



Laporte

Future viewed with confidence

000'£ 000'
,885 102,442
223 49,071
108 151,513
10,242
.141 4,237
,498 3,151

Extracts from the Statement by Mr. R. M. Ringwald, Chairman, to the Annual Meeting held on Thursday, 14th June, 1979.

The establishment with Solvay & Cie of Interox manufacturing facilities in the United States of America is going well. The construction of the hydrogen peroxide plant in Houston, Texas will be completed at the time which had been forecast and it will cost what had been forecast, and we have every hope that deliveries to customers will commence before the end of this year. Our market development work in the United States has proceeded well and there is every indication that our hopes for sales volume achievable in the first three years of operation will be exceeded.

1979 commenced badly with a great deal of industrial unrest which reached its height with the lorry drivers' dispute. Whilst neither we nor the rest of the chemical industry were directly involved, our sales and services in the early months of the year were inevitably and adversely affected by this disruption. Unfortunately, the repercussions did not stop there since the fall-off in the quality in our services to our customers abroad had, and will continue to have, a very bad effect on the creditability which we need when seeking to increase our export sales. I am happy to tell you that the losses incurred have been clawed back, but we will never know how much sales potential we have lost

for all time. The extremely serious effects this disruption had must surely strengthen our national determination that situations such as these should not arise again. As far as our business is concerned since this strike was settled, our trading position has been good, and the increasing prices which we have been able to achieve, thus stopping the margin deterioration which we have suffered from for so long, will stand us in good stead in the future. If no change in trends occurs, it seems likely that our first half year results will prove satisfactory. In the longer term inflation and rising costs are enemies of us all and these are beginning to bite hard. When you couple this with the prospect of a new energy crisis it is obvious that we must be extremely efficient to retain our competitiveness in the world. Unless our inflation rate falls to that of our major international competitors the future of the British chemical industry will be as much affected as the standard of living of our nation.

Despite these factors, our spirits are high. The hard work, spirit and dedication of our employees makes possible our belief that we have both the skill and the will to overcome obstacles within our own control and therefore we, in Laporte look to the future with a sense of confidence.

Comes of the full statement and of the Report and Accounts may be obtained from The Secretary, Laporte Industries (Holdings) Ltd, 14 Hanover Square, London W1R OBE.



High performance chemicals for the world.

Robertson declines to £2m ECC ahead to but looks for improvement £10.4m so far

turned out to be from a record to reduce costs which should £2.73m to £2.04m on turnover bring back margins to more abead from £72.3m to £80.1m. acceptable levels. However, the Board is certain there will be a substantial after assole profit was struck improvement in profits starting this year.

down from £363,000 to £346,000 and stated earnings per 25p to the directors said it was clear that the year's profits would be lower than the previous 12 months.

In the year to March 31, 1979, the group was hit by the haulage strike which cost more than £350,000 in profits.

2550,000 in profits.

The export business, although • comment

weakness of the Canadian dollar and the strength of sterling. But the group has recently raised its selling price to bring exports back into profit.

The company, says the Board, markets, will restore profit-has moved into new businesses ability. For the moment, how-such as breakfast cereals, fruit ever, the shares are having to

on borrowings due to the with-drawal from the UK seasonal canning market will be felt this

THE FORECAST decline in yearend taxable profits at Robertson
Foods, the largest producer of
jams and marmalades in the UK,
turned out to be from a record
to reduce costs which should
to reduce costs which should
to reduce the reduce to reduce t

down from £363,000 to £346,000

it maintained volumes, made a loss because of the continued tinue to fall. Including a 12tinue to fall. Including a 12-month contribution of £250,000 from Unican. acquired last December, the pre-tax profit return dropped from 3.8-10 2.5 per cent while interest charges climbed by over a fifth.

National strikes in the UK reduced profits by over £350,000 and the contribution from the French Peny subsidary fell by almost £500,000. The price war in Fence is expected to limit yearlers. Expect is expected to limit yearlers. An increase in interest charges—from £843.000 to £1.02m—also reduced the taxable surplus. The Board says bank horrowings were contained but higher french Peny subsidiary fell by almost £500.000. The price war almost £500.000. The price war almost £500.000. The price war almost £500.000. in France is expected to limit will provide a better opportunity Peny's potential short term but of achieving targets. traditional, rather flat rkets, will restore profit-

7 offers little more support.

Wm. Leech finishes

DESPITE A fall from £1.48m to £1.29m in the second-half, pre-tax profits of William Leech (Builders) finished the February 28, 1979, year ahead at £2.34m against £2.24m last time. Turnover went ahead slightly from £30.82m to £31.32m.

the group appears confident that Pre-tax figure was struck after this and other moves away from finance charges of £754,000 comits traditional, rather flat pared with £688,000 and was subject to tax of £509,000 against £410,000. Net profit was £1.83m

Second half lift boosts Plysu to £1.2m—dividend up 36%

that the pattern of progress had continued into the third quarter

rules—an increase of 36.8 per • comment

Also proposed is a one-for-one Demand for most of the company's products continued to climbed simost 64 per cent with rise, and the increased capacity a 2.5 point rise in margins. This

ment and directors have already

continued into the third quarter depreciation £672,000 (£453,000), and they looked forward to a and included associates loss of

carnings per 10p share at the year end are shown as 21.1p (11.5p) and a final of 1.2145p net lifts the dividend from 1.3836p to 1.8931p—on dividend from 1.5836p

A continuing process of capital expenditure is paying off for Plysu. After an 8 per cent downturn in 1977-78 pre-lax profits installed last year now offers year, the group, is spending at customers a much better service, least another £650,000 which the directors state. During the past year £1.1m city and service in the blow has been spent on capital equipmoulding and housewares divisions, impetus for last year's tainers side where firm demand

A SECOND half increase from £294,000 to £566,000 boosted taxable profits of Plysu, plastic container and domestic ware manufacturer, to a record £1.23m for the year ended March 31, 1979, against £750,000.

At halfway the directors said that the pattern of progress had continued into the third quarter and the profits of high density polysisted according to the season of this market, depressed by the cold summer. This sector accounted for some 80 per cent of group turnover with housewares continued from £11.05m to £13.25m and the pre-tax figure was struck although thigh density polysisted for a poor soft drinks market, depressed by the cold summer. This sector accounted for some 80 per cent of group turnover with housewares continued from £11.05m to £13.25m and the pre-tax figure was struck although thigh density polysisted from £11.05m to £13.25m and the pre-tax figure was struck although thigh density polysisted from £12.000 (£453.000), material) have risen by around the profit of the first polysisted from £12.05m and the pre-tax figure was struck although thigh density polysisted from £12.05m and the pre-tax figure was struck although thigh density polysisted. 25 per cent since the end of the year, Plysu appears confident of riding out the problem. At 188p, the p/e on published earnings is 7.4. The shares yield only around 2 per cent since the final is to be paid just four days before restraint officially ends. But cover of more than 11 times reflects good potential for increased payments.

AVENUE CLOSE

Pre-tax profit of Avenue Close, property investment and development company, almost doubled from £358,987 to £698,794 for the year ended March 31, 1979. And from earnings of 5.569p (2.763p) per 20p share, a dividend of 1.788p (1.625p) net, the sanctioned £850,000 for the recovery came from the con-m-m-m min diowed, is announced Tax for the year took £359,769 Since the year-end there has for five-litre bottles and 25-litre been a very large increase in the containers more than compenretained was £230,172 (£80,404).

Brown Shipley marginally down after banking side falls 4.4%

Growth in brokerage earned in the UK from both home and

Among direct overseas opera-tions, the U.S. side again made an important contribution, but

the Australian company has still to become profitable. The South African offshoot also made a significant contribution.

At balance date, group cash, hank balances and short-term

money were down slightly from

£42.49m to £41.87m. Loans, advances and other accounts reached £76.82m (£61.78m). Deposits and other liabilities were £198.73m (£179.83m).

Shipley Holdings, merchant profit contributions. During the banking and insurance broking year, the holding in Trinity Bank group, were marginally down in Dublin was increased to 78 from £1.69m to £1.65m for the per cent, and the directors are year ended March 31, 1979. At the interim stage, the directors warned that the full-year result was not expected to match the overseas markets failed to keep record level of 1977-78. After-tax pace with costs incurred here, net surplus of the banking side The low level of economic fell by 4.4 per cent to £1.25m. activity and the strengthening The parent company result of the pound against the was £168,000 (£39,000), but currencies of the group's major

profits from the insurance activities were down from £796,000 to £770,000. Tax took £539,000 (£452,000) leaving £399,000, against £383,000, to be added to banking profits.

A net final dividend of 6.107p (5.264p) steps up total payments from 9.344p to the maximum permitted 10.607p per £1 share, absorbing £587,000 (£513,000). Following the relaxation of divisions of the state of the s dend controls, the directors consider an increase to a higher level would be appropriate and intend to review this at the time of the interim statement next

The bank has transferred £2m from inner reserve to disclosed resources. With retained profit and other movements, the group's disclosed capital and reserves has increased by £3.16m

On the banking side, demand for credit in the first half-year was low and margins on avail-able business narrowed. Earnings on the bank's free capital improved in the second six months and it was encouraged by an increase in demand for credit facilities. This was reflected in greater use of its acceptance facilities at the year-

10.

Assets held for leasing increased from £11.47m to £13.88m and the contribution to banking profit showed a sig-nificant improvement.

Mooloya Inv. suspended Shares in Mooloya Investments

were suspended yesterday pend-ing what is widely regarded to be Earlier in the day Mooloya said it had been notified that a com-pany controlled by Mr. Ian Philips, a director, had bought Philips, a director, had bought 92,000 f1 ordinary shares at 70 % p in Mooloya, bringing the total number of shares owned or controlled by the board to about 272,500 (roughly 43.25 per cent). The Panel on Takeovers and Mergers has been informed.

Bell & Sime nificant improvement.

Benking businesses in the Sime, timber importer and Channel Islands made steady sawmiller, rose from £121,142 to

London W.I. **Luxury Furnished Apartments**

Greengarden House, St. Christopher's Place in quiet. octuresque, pedestrianised area near Oxford Street. Fully-equipped apartments with maid service.

Greengarden Investments Limited Greengarden House, St. Christopher's Place, London W1M cHD

NET TRADING profits of Brown progress and provided useful £163,023 in the year to April 28. 1979, on turnover of £3.93m, against £3.61m.

> At midway, the surplus was up to £83,590 (£81,512), and the directors expected improved full-year results.

The net final dividend of 4.5056p per 25p share lifts the total to 5.3806p (4.766p). of the pound against the currencies of the group's major further provision has been made overseas earnings remain significant factors in this unsatis-

port strike hit English China Clays in the first half to March 31, 1979. On turnover up from filo7.9m to f123.9m taxable profits went ahead from £8.53m to £10.43m. In the half-year to March 1977 Indies satisfactorily. The West In the half-year to March 1977 Indies operations performed below expectations and the record £13.5m, and the total for the year—21so a record—was

The Board says that although

The Board says that although Leisure fow of its employees were further involved in the strike, trading was hampered by picketing. Inevitably irrecoverable costs were incurred and some home and overseas sales were frustrated. In view of these difficulties, the directors regard the namy bross. trated. In view of these dimedities the directors regard the half-year results as encouraging.

They expect the year's outcome to be satisfactory but stress that this depends on adequate fuel supplies which are vital to all divisions,

vital to all divisions,

| Half-year | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1978 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979 | 1979

Last year the group turned in taxable profits of £24.48m. The clay division was affected by the bad weather and deliveries to Scandinavia and the Continent were interrupted. However demand throughout the half-year was relatively strong and is expected to remain so for

The quarries operations were also hit by the weather but because of frost and snow damage to roads demand for its products is expected to be high in the near future. The division is well placed to benefit from

was also affected by the weather, suffered from the low level of public sector housebuilding, and this side of the UK business has virtually been closed down.
Private estate development continues satisfactorily. The West

On the leisure side Haven Leisure has been expanded further and bookings are Negotiations with the National Coal Board have been completed and NCB (Ancillaries) becomes

an equal partner in S. and A. Geophysical. In May the company broadened its base in the industrial mineral field by acquiring Fordamin Company for £1.28m.

After tax of £1.5m, against £2.15m, net profit comes out at £8.93m, compared with £6.38m. Stated earnings per 25p share rose from 3.96p to 5.53p.

The interim dividend is raised from 1.925p net to 2.1175p. Last year's total was 3.9684p. Sec Lex

Near £0.3m profit rise for Dom.

AFTER PRE-TAX profits of £535,155 against £406,171 at half-way, Dom Holdings, fixing pro-ducts group, advanced to finish the March 31, 1979, year ahead at a record £1.31m compared with a previous £1.02m, Turnthe rest of the year. Capacity over rose from £10.37m to is being expanded at home and £12.45m.

After tax of £639,944 (£503,724) earnings per 10p share are shown as 8.9p (6.92p). The dividend is stepped up to 6.186p (4.6443p) net with a final of 3.3936p.

Reserves have been increased

by \$552,114 being the provision which had been set aside for this work.

Which use peculiaries the buildings division, which deferred tax, no longer required

Pauls & Whites up to record £7.64m

A GOOD performance in the animal foods division helped Pauls and Whites to finish the March 31, 1979, year with record-taxable profits of \$7.64m against £6.25m. Turnover was well ahead. at £188.8m. compared with

At the Interim stage profits had risen from £2.63m to £3.37m.
1878-78 1977-78 2000 2000

	€000	£
Turnover	188,798	144.7
Animal foods, etc,	114,180	III.
Mait brewing	,	
materials	66.307	47.2
		6.2
Fievours, essences		
Profit	9,125	7.0
Animal foods etc	4,629	2,8
Mait, brewing		
materials	3,720	3,5 7
Figvours, essences	776	7
Financing charges	1.484	
Profit before tax	7,641	6.2
Taxation	2,624	1.5
Juxation		
Net profit	5,117	4,3
Deb. sinking fund	40	
Aveilable	5,077	4,3
Employees†	82	1
Pref. dividends	37	
Ord. dividends	1.314	1,0
Retained	3,044	3.1
† Financial participation		w _i i

Earnings are given as 19.43p (17.17p) per 25p share and the dividend is stepped up to 4.926p (4.29p) net with a final payment

comment

In spite of an almost doubled interest charge, Pauls and Whites has turned in a creditable set of results. The profits rise of just over a fifth, which includes a small contribution from new acquisitions, reflects an impressive 65 per cent jump

in profits by the animal feedstuffs division. The bad weather in the final quarter boosted demand although some of the full-year volume gain of around a tenth must be attributed to lower corn prices as a result of last year's good harvest. weather, on the other hand, had a depressing effect on the brewdivisions although the former also bad to bear some losses from the German operation. It is still too early to make any accurate prediction for the current year but the company

will have to make a determined effort to reduce short term debt. if the impact of high interest Cardiff and Edinburgh is pro-rates is not to take the gloss ceeding and these should be Warburg announces. the trading level. A strong cash flow will help but there may be scope for re-scheduling the over-draft. At 141p, the shares are on a p/e of 7.2 while the yield is 5.3 per cent.

CMT SUSPENDED

Central Manufacturing and Trading, the industrial services and steel stockholding group, asked for its shares to be sus-pended on the Stock Market pending an announcement.

The suspension price was 75p. up 1p, which valued the group

CMT recently acquired G. R. Francis, the heating and plumb-

Midland Bank Base Rate

Midland Bank Limited announces that, with effect from Friday 15th June 1979, its Base Rate is increased by 2% to 14% per annum.

Deposit Accounts. Interest paid on accounts held at branches and subject to 7 days' notice of withdrawal is increased by 2% to 112% per annum.

Abatement allowance on ledger credit balances for personal current accounts not qualifying for free terms will be 9½% per annum.

Personal Credit Plan Accounts. With effect from Friday 13th July 1979, interest paid on credit balances will be increased by 3½% to 9½% per annum and interest charged on overdraft balances will be increased by 1% to 19% per annum. The effective annual equivalents of these rates on the basis of annual compounding are 9.73% and 19.90% respectively.



Midland Bank

MINING NEWS

Gold shares: was the market wrong?

BY KENNETH MARSTON, MINING EDITOR

WHY ON earth are gold shares the requirement for a 115 per term deposit also offers a high o weak?" asked more than one cent cover for overseas portreturn—getting on for 14 per cent colder on Wednesday when in a folios financed by foreign at the moment—and with minimal terms is not considered. holder on Wednesday when in a folios, financed by foreign general burst of post-Budget currency borrowing. depression the Gold Mines index of London prices suffered one of its biggest-ever falls of 26.4 to abolished, particularly in view 174.5, the lowest since May 15 of the UK Government's policy when bullion was just under of relaxing exchange controls \$254 per ounce.

The answer was that, apart that the dollar premium from a modest easing in the be abolished.

The answer was that, apart from a modest easing in the bullion price to \$276\frac{1}{2} trecovered to \$278\frac{1}{4} yesterday—the market was worsied by the fall in the effective dollar premium to 14\frac{1}{4} per cent, almost half the rate obtaining prior to the general election six weeks

ago.

The disgruntled holders of an effective range for the next 12 gold shares may well have been months of between 10 and 20 per moved to observe, in strong cent, terms, that a share price fall of ... At all events, the current level this magnitude entirely of 111 per cent is recorded.

moved to observe, in strong terms, that a share price fall of this magnitude — entirely of 111 per cent is regarded as an unconnected with any South African racial upheaval—was golds where good class stocks are unjustified and provided an golds where good class stocks are unjustified and provided an golds where good class stocks are unjustified and provided an golds where good class stocks are unjustified and provided an golds where good class stocks are unjustified and provided an acceptable risk in South African acceptab

so weak?" asked more than one cent cover for overseas port-holder on Wednesday when in a folios financed by foreign

Some observers feel, however, that the EEC requirement carries little weight while other member countries, such as France, retain a framework of exchange cou-trols. It is argued that the dollar premium could be with us for a

ing from the Budget's removal ne

risk. But of course there is no guarantee that this return will be maintained whereas yields on gold shares at present prices can be expected to increase with the mines Msing earnings. So there is still a good case for golds as yield sweetners in a mixed portfolio. Of the top class

issues, West Driefontein, for example, yield over 13 per cent at the cum-premium price of £25½ while similar yields are offered on Buffelsfontein, Hartebeest and Harmony.

Also giving 13 per cent-plus are Free State Geduld and Western Holdings, but the cur-Geduld and rent yields are based on total dividends for the year to last September and both mines have since substantially raised their interims.
A more speculative issue at a

reasonable price of 363p is Stiffontein which returns just over 10 per cent on the 1978 dividend total. Here again, the interim has been increased albeit by less than was expected —and a good final should follow. The major holding company worthy of mention is, of course, Angle American Gold Investment which gives just over 7 per cent on its 1978 dividend.

Meanwhile, further dividends are declared by the gold mines in the Johannesburg Con-solidated group. As expected, Randfontein is raising its interim loss of capital are understand, stocks, such as gold shares, now Randfontein is raising its interim able enough. Whether they are carry more appeal to shareholders to 250 cents (143p) from 200 justified, however, is another in the upper tax brackets; cents for 1978 when there was a question.

A major reason why the much of the high yield in tax but Areas' increased interim of 12 premium has fallen so sharply still had to accept the degree of is the anticioated fall in demand; investment risk which accompanies a high return.

In the upper tax brackets; cents for 1978 when there was a curve to the high yield in tax but Areas' increased interim of 12 cents goes against 8 cents a year is the anticioated fall in demand; investment risk which accompanies a high return.

In the upper tax brackets; cents for 1978 when there was a curve to the high yield in tax but Areas' increased interim of 12 cents goes against 8 cents a year is the anticioated fall in demand; investment risk which accompanies a high return.

It is true that money on shart cents declared by Elsburg. It is true that money on short cents declared by Elsburg.

Debenhams begins to benefit from earlier developments

and started some years ago by gearing of £1.6m (£2.3m). Debenhams, retail distributor. The £74.83m, surplus are now coming on stream and from a revaluation of the g the group is beginning to reap the benefits, says Sir Anthony Burney, the chairman, . As anticipated last year, the group opened two new stores during 1978 at Swansea and at Stockport. Both of these are showing good results and are coming fully up to directors'

In March this year, the group opened the first phase of the redevelopment of his loswich store and Sir Antiony says the whole new store should be in iperation by autumn 1980. Progress on the Blackburn store is on schedule and it is

open in autumn next year. Detailed plans for the major reconstruction of the group's Croydon property have now been completed and it will shortly be entering into negotiations for the snancing of this new project. As reported May 19, bad weather and industrial unrest early this year trimmed pre-tax profits from £28.26m to £23.31m for the year suded January 27.

1979, on sales, excluding VAT. of £496.14m (£442.98m). Trading profit after cost of finance rose by 30 per cent to £21.73m, but the effect of lost turnover in January was to reduce profit by at least £1.25m. The directors are confident that trading profit in the current

year will show a further substantial advance. On a current cost basis, pre-tax profits are reduced to £17.8m against £21.2m last time, after

adjustments for depreciation of £3.2m (same), self-financed cost

Al balance date total borrow-ings amounted to 274.6m, representing some 30 per cent of shareholders' funds, compared to around 31 per cent a year earlier. Group fixed assets rose from £150.88m to £241.8m and net current amets were up from: £71.92m to £82.41m.

retained profits, but less £8.8m

written off goodwill, resulted in

en increase in shareholders'

funds from £170.78m to £246.48m.

STC AT 160P anticipated that it will be completed by the autumn of this sale of 15m ordinary shares of Sandard Telephones and Cables Cardiff and Edinbursh is pro-

at 160p each and the application list opens on June 21. Brokers are Cazenove and Messel. The £74.83m, surplus arising from a revaluation of the group's properties made in 1978, with J. W. Wassall improves to

The 25p shares will be offered

k total of 0.68p (0.44p) per 5p share.
After an increased tax charge

Motor disputes restrict Crosby Spring to £1m

and the directors were looking for a reasonable second half-year. A final dividend of 0.55p per restrictions.

BUT for strikes in the car to \$10.05m. The year's tax industry, the pre-tax profit of \$1.01m. achieved by Crosby \$2503,851.

Spring Interiors for the year ended March 31, 1979, would have been exceeded comfortably, categorically that they have not the directors report. The profit received any approach from a potential purchaser and they have no knowledge of any such pre-tails from \$214.316 to \$413.433 and the directors were looking.

OXLEY PRINTING Oxley Printing Group has decided to exercise its right to 10p share raises the year's total decided to exercise its right to from 0.6536p to 0.78958p, but the convert all the remaining 14 per increase is less than the full cent convertible debenture stock amount permitted under current 1983 into ordinary shares, at the

Hogg Robinson and 'Pru' join in new Bahrain venture

A new Bahrain offshore insurance concern has been established by a Saudi Arabian-Bahraini consortium, together with Hogg Robinson Group, the insurance broker, and the Prudential Assurance Company. The new company—to be called the Saudi International Insurance Company EC has a capital of film of which the Arab group, led by Sheikh Fahd Al Tobaishi, has 60 per cent and Hogg Robinson and the Pru 20 per cent sach.

The headquarters of the new group will be based in Bahrain and there will be agencies in Riyadh and other parts of Saudi

Arabia.

The new company will handle all types of insurance business. with the exception of life insurance.

Hill Samuel Life raises bonus rate

As a result of the surplus dis-As a result of the surplus disclosed by the annual valuation made as at March 31, 1979, Hill Samuel Life Assurance has declared a record reversionary bonus rate of £4 per cent declared last year.

The company has also dropped the small terminal bonus paid over the previous two or three

over the previous two or three years and, for the immediate although some of the compared that future at least does not intend declaring a terminal bonus on death or materity claims.

The company is well known as new lines, these should be a linked-life company. Although regarded as a temporary state the main part of its business is of affairs. He remains confident linked life assurance and pen-sions Hill Samuel Life transacts a significant amount of Meeting, Str traditional with profit life assur- June 29, noon ance business.

This new bonus rate applies to

all with profit whole kife and endowment assurances including its flexible endowment and its low cost policies. The first bonus was declared in 1967 at a rate of £236 per cent.

Advance Laundries starts well The current year has started

who tells members in his annual statement that he believes the company will put up a better performance in 1979 than in the revious year.

well at Advance Laundries says Mr. W. M. Dravers, the chairman

Over the past decade, the com-pany's profits have increased threefold, but for the last two years have been on a plateau. Mr. Dravers says the modest increase in 1978 was not unexpected in a difficult trading

On turnover up by £188,705 to £1,889,709, J. W. Wassall, multiple footwear retailer, improved taxable profits for the year ended March 31, 1979 from £68,627 to £77,753, with £29,067 against £25,597 coming in the first half. The final dividend is doubled from 0.24p to 0.48p net, making

of £46,254 (£85,930), net profits

come again.

Meeting, Stratton House, W. Warrington warns on public sector. Workload available to the

of affairs. He remains confident that profitable expansion will

ing ladustry in the public could decline later in t says the chairman of Warrington and Son annual statement for But he adds that housing sector conti-prove and the co-obtained more contri-The general by public works control lifted taxable lifted taxable £176,000 to £244,0 man says that it i





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INVESTMENTTRUSTREVIEW

The opinions expressed by contributors to this Review are their own and should not be assumed necessarily to reflect those of the Association: >-

Aview from outside

Three years ago, in the journalist's time-honoured role of agent-provocaleur. I wrote a short but acid uttack on the managers of investment trust companies. The gist of it was this. If, as was the case, \$100 of stocks and shares managed by an investment trust were valued on The Stock Exchange at an average of £75, then the managers of those trust companies, for all their undoubted ability, appeared to be wasting their time. Today, investment trust shares may still be bought at a big discount on their true value. But many other things have changed and the investment trust industry presents a much more modern outlook.

Fortuitously, we journalists set off a vigorous debate in the investment trust world which had been awaited for some. time. Many managers rejected the idea, then fashionable, that the traditional investment trust was rather passe. They asked: why could buyers of trust shares only be matched with sellers at such a large discount on the companies true worth—and what could be done about 11?

The blame could not be laid mainly on results. Some smaller specialised trusts, including several in the Far East, have an outstanding, if volatile, record of capital growth in recent years. The majority have not fored much, if at all, better than the share indices on capital but they have a good record for improving dividend income. For instance, a number of the large middle-of-the-road trust companies have russed dividends by an companies have ruised dividends by an average annual rate of between 14 and 20 per cent in the past five years. Allow-ing for compound interest that has kept shareholders almost abreast of inflation-a feat not even matched by house prices.

Technical problems were more important. Private investors are still disappearing year after year from the stock market and they traditionally hold a higher proportion of their investments in trust shares. Meanwhile, new investors have mainly gone for unit trusts and insurance-linked schemes that can be promoted by big advertisements in news-papers or by commissioned sales force; Investment trusts cannot hope to compete directly with this. But in those days.

Do. Do. Philip Hill (Management) Ltd.

Moorgate Investment Co. ...

Philip Hill Investment Trust

Nincteen Twenty-Eight Iov. Trust Ordinary 25;

7efd. Ord. 25p

Ordinary 25p

Ordinary 25p

many seemed to have given up hope of marketing their virtues to the potential

investor.

To make matters worse, a lot of share To make matters worse, a lot of share issues were made near the peak of share prices in 1972. (Many were complex, few have proved successful). So instead of contracting with private demand, the supply of investment trust shares expanded. Last but not least, the currency restrictions imposed in the 1950s (and the double taxation introduced at that time) had cramped the companies dexibility and their appeal in the traditional forte, overseas investment.

It is encouraging to see how historical much of that analysis now looks.

Important trends

Some of the easy-sounding solutions put forward by the likes of myself, such as winding-up trusts or turning them into unit trusts, have not proved fruitful, except for eliminating a few smaller trusts with little obvious future. But two important trends have emerged.

First, pension funds and city companies wanting to raise cash have made takeover bids for nearly £600m of trusts, with enormous short-term benefits to shareholders. This in turn has encouraged more investment by his institutions, if only for the rather unworthy motives of building up 'strategic' holdings either for themselves or to be in at the kill. This burgain-hunting, quite apart from reducing the imbalance of supply reducing the imbalance of supply and demand, helps put a floor under investment trust company share prices in relation to their asset value and largely removes the fear in potential investors' minds that they might lose money by the shares selling permanently at even larger discounts on assets.

Secondly, and more positively, managers secondly, and more positively, managers have made remarkable progress in making their companies more known and accessible to the public. The most obvious example is this year book, already in its second edition, and the mass of important statistical information given on a single comparable basis. This is supplemented by the monthly statistics organised by The Association of Investment Trust Comby Graham Searjeant, Sunday Times
(Reprinted from the Investment Trust Year Book 1979)

panies and it is good to see that the leading stockbrokers involved now issue their daily and monthly statistics on an agreed common basis. Paradoxically, this plethora of figures focuses more attention on what the individual trusts and managers are triving to achieve

attention on what the individual trusts and managers are trying to achieve—time previously devoted to abstruse statistical detective work.

Individual boards of directors now often issue more informative and relevant reports to shareholders. Management groups, notably the Electra House group, have merged similar trusts to ease confusion and to make shares more easily traded. Others, like Drayton Montagu, have added their name to identify the trusts they run. In a different way, Foreign & Colonial, Touche Remonant and other management groups have taken other management groups have taken steps to make themselves and their range of investment services better known. And for every public sign more has been going on behind the scenes.

There is plenty of work still to be done in the cause of identification. Big groups trusts such as Clobe or Dundee's

done in the cause of identification. Big general trusts such as Globe or Dundee's Alliance Trust need no further message. Otherwise, few names are as explicit as GT Japan Investment Trust. There are still seven otherwise unidentified trusts starting London &, ten Scottish. . and six General . . . And often, in the same stable, the main reason for buying one trust's shares rather than another's will be the price on the day rather than differences in objectives.

Final stage of modernisation The final vital stage of modernisation, inevitably a complex and difficult one, will be to sort out and state the objectives of different trusts and tailor them to the varying needs of the 1980s. For the private investor, there will no doubt be specific emphasis on income growth, capital growth or international spread and protection against currency changes. As things sort themselves out, the big investors may be more interested in special areas of expertise they cannot match on their own.

Here the government, which did so much to damage the trusts in the 1960s, is at last helping a bit. It has lessened

double taxation of capital gains and eliminated the so-called premium surrender rule on overseas investments. This rule had greatly hindered the fiexibility of the big worldwide trusts, which are the backbone of the movement, to make the best of rapidly changing world conditions and it had led them into many technical difficulties with currency and foreign loans. The regime remains far from perfect, but the changes have given them a better opportunity to show their real skills at investment.

Because of this inflexibility, investment

Because of this inflexibility, investment trusts have been driven to emphasise their long-term role. This was never wholly convincing. One useful by-product of the disasters of the 1970s is that investors learnt to put little store by sensational results over a few months-which so often reversed themselves.

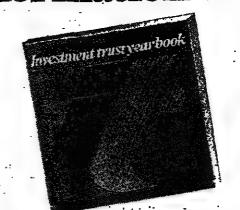
There are genuine reasons for the long-term look of investment trusts too. When economic, currency and short-term stock market indicators point in different directions, decisions have to be made which may take some time to pay off. So do bold decisions to back developments at an early stage, which investment trusts have the opportunity to make. But we have all learnt Lord Keynes' lesson that the long-term is only a series of short-terms put together and that things actually happen in the short-term. So how should we judge? Results over one year are certainly interesting, but need to have a background sketched in. Three to five year records provide a good test and allow few excuses. Managers of investment trusts know and accept that they must in future stand or fall on these tests, now so easy to make.

these tests, now so easy to make.

But there is already a new feeling of confidence abroad in the investment trust movement, a feeling that the challenges are to be relished rather than avoided. If much modernisation remains to be done, it is, I bope, a matter of time. The will is there. It is naturally disappointing for shareholders that, after ups and downs, investment trust shares still stand at the same average discount on assets as they did in the spring of 1978. But ioday, that discount may present a genuine bargain for investors.

present a genuine bargain for investors.

The £6,500 million information book



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Following the success of the first Investment Trust Year Book last year the 1979 edition is now available at £8.45 (including postage and packing). It is an essential source of information on an investment medium with assets of over

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The Association of Investment Trust Companies. Park House (6th Floor), 16 Finsbury Circus, London EC2M 71J. Please state if you are an existing shareholder in an

investment trust company.

INVESTMENT TRUSTS: net asset values

The information to the cultumns below is aupplied by the companies named, which are members of The Association of Investment. mpanies. The figures, which are in sept where otherwise stated,

Total Assets						et Value	Investment	Total Assets				1. (1. (1. (1. (1. (1. (1. (1. (1. (1. (Net Ass	et Value	Investment
less current ligbilities		ļ	Date of	Annual	cho	rges at market	Currency Premium	less current itabilities			Date of	Annual		rges	Currency Premium
(1)	Company (2)	Shares or Stock (3)	Valuation (4)	Dividena (5)	value (6)	taine (7)	(see note g) (8)	: (1)	Company (2)	Shares or Stock (3)	Valuation (4)	Dividend (5)	ogiue (6)	value (7)	(see note g) ((8)
Emillion				7			1 1	Emillion				9.0			
1 6 0.2	VALUATION MONTHLY Alliance Trust	Ordinary 25p	31/5/79	8.0	cept where £	305.8	15.8	12.8	Industrial & Commercial Fin. Corpu. London Atlantic Inv. Trust	Ordinary 25p	31/5/79	3.6	except where 108.0	109.2	1.9
134.4	Angle-American Securities Corpo British Investment Trust	Ordinary 25p	31/5/79 31/5/79	3.3 5.7	138.7 202.0	144.2 207.1	10.4	8.4	North British Canadian Inv. Co Ivory & Sime Limited	Ordinary 25p	31/5/79	3.3	123.4	123.4	. 0.3
29.2 13.1	Capital & National Trust Claverhouse Investment Trust	Ord. & "B" Ord. 25p Ordinary 50n	31/5/79	₹4.6 4.4	185.1 131.4	187.8 131.4	- 0.1	46.3	Atlantic Assets Trust	Ordinary 25p	31/5/79 31/5/79	- 0.4 2.8	145.0 96.4	151.6 101.8	14.3 7.4
12.7	Crossiriars Trust Dundee & London Investment Trust	Ordinary 25p	31/5/79 31/5/79	3.7 2.6	127.0	127.0 96.5	3.0	34.9 15.6	Edinburgh American Assets Trust Viking Resources Trust	Ordinary 25p	31/5/79 31/5/79	0.6 1.32	72.7 137.5	. 74.2 137.5	8.6 9.6
99.0	Edinburgh Investment Trust	£1 Deferred	31/5/79	7.8	95.0 -316.5	331.2	10.9		Reyser Ullmann Ltd.			1.32			8.0
46.3 13.5	First Scottish American Trust	Ordinary 25p	31/5/79 31/5/79	3.15 2.4	129.7 120.5	131.7 124.6	7.2 3.2	12.4 51.3	Throgmorton Secured Growth Tst. Throgmorton Trust	Ordinary 25p	31/5/79 31/5/79	4.875	119.4	189,9 121.1	=
75.9 61 .7	Great Northern Investment Trust Guardian Investment Trust	Ordinary Cap	31/5/79 31/5/79	1.5 5.15	148.5 119.5	151.1 124.2	4.9 4.3	30.8	Kleinwort Benson Ltd. British American & General Trust	Ordinary 250	31/5/79	1.85	59.4	60.5	2.0
33.3	Hume Holdings Investors Capital Trust	" A " & " B " Ord. 25p	31/5/79 31/5/79	*4.584 2.0	. 102.1	105.2 111.0	x1.1 7.3	25.1 35.4	Brunner Investment Trust	rdinary 25p	31/5/79 31/5/79	4.0 2.45	151.1 81.9	153.8 S4.0	5.5 · · · 3.1
17.6	Jardine Japan Investment Trust	Ordinary 25p	31/5/79	1.0	105.6 149.3	149.3	22.3	45.5 . 5.6	English & New York Trust	I ordinary 25p	31/5/79 31/5/79	3.0 4.6	. 109.6	111.2	4.4 0.1
38.8 26.7	London & Holyrood Trust London & Montrose Invest. Trust	Ordinary 25p	31/5/79 31/5/79	4.3 5.9	168.6 269.9	172.2 274.0	9.1 15.2	3.6	Family Investment Trust	Ordinary 25p	31/5/79	2.375	127.4 72.7	127.4 72.7	1,0
50.8 ‡121.1	London & Provincial Trust Morcanille Investment Trust	Ordinary 25p	31/5/79 31/5/79	1.7 1.7	158.1 x61.7	180.8 55.6	9.0 1.3	7.5 : 54.9 :	London Prudential Invest, Trust Merchants Trust)rdinary 25p	31/5/79 31/5/79	3.45 3.0	120.0 102.3	122.6 105.7	3.7 4.7
28.3	Do. Do	Copv. Debs. 1983	31/5/79 31/5/79	£4.50 3.07	£92.70 129.0	£98.40 132.0	£2.90 7.6	\$53.2	Lazard Bros. & Co. Ltd	Ordinary 25p	31/5/79	4.05	177.0	183.4	8.9
55.1 S.6	Northern American Trust	Ordinary 25p	31/5/79	3.05	109.7	142.9	8.2	. 140.7	Remney Trust	Ordinary 25p	31/5/78	3.0	129.8	131.9	8.9 7.6
133.6	Scottish Investment Trust	Ordinary 25p	31/5/79 31/5/79	3.0	181.4 138.0	142.0	6.7	12.1 20.9	Canadian & Foreign Invest. Trust		31/5/79 31/5/79	4.2	160.9 	164.7	6.9 8.2
108.4	Scottish United Investors	Ordinary 25p	31/5/79 31/5/79	3.8 1.5	149.5 81.1	157.2 83.5	6.0 6.0	102.3	St. Andrew Trust :	Ordinary 25p	31/5/79	24 24	90.1	172.4 93.0	5.9 5 5.9
4.1	Second Alliance Trust	Ordinary 500	31/3/79 31/5/79	9.7336	256.5	263.4 160.9	13.7	. 25.3 58.3	Scottish Ontario Invest. Company Securities Trust of Scotland	Ordinary 25p	31/5/79 31/5/79	7.05	89,0 243.1	90.3 261.8	14.2
44.5	Technology investment Trust	Ordinary 25p	31/5/79 31/5/79	6.3	250.8	257.2	13.1	\$48.0	Murray Johnstone Ltd. Caledonian Trust	Ord. & "B " Ord. 25p	.31/5/79	+1.85	105.7	109.2	8.5 8.3
Q1 1	United British Securities Trust United States & General Trust	Ordinary 75n	31/5/79	4.44	180.9	182.3 285.6	8.6	171.0 17.5	Civdesdale Investment Trust	Ord. & "B" Ord. 25pi	31/5/79 31/5/79	*1.9 *1.85	100.7 131.3	103.5 133.5	8.3 10.5
90.5	United States Debenture Corpn	Ordinary 250	31/5/79 31/5/79	6.51 4.05	278.9 124.3	128.4	13.3 6.4	7.3 179.7	Glendevon Investment Trust Glenmiurray Investment Trust Scottish Western Investment Co	Ord. & "B" Ord. 25p	31/5/79 31/5/79	*1.95	109.0 84.4	109,0	7.5 6.7
100.0	Do. Do		31/5/79	£3.00	£136.70	£141.30	. 00.72	136.5	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	31/5/79	*2.0	115.6	87.7 119.2	9.5
127.9 64.6	Scottish Mortgage & Trust	Ordinary "Sn	31/5/79 31/5/79	3.9 1.83	150.2 89.4	152,7 70.0	6.3 2.4	23.0	Schroder Wagg Group Ashdown Investment Trust	Ordinary 25p	31/5/79	4.6	198.0	204.1	11.8
17.4	Baring Bros. & Co. Ltd.	Ordinary 25p	31/5/79	5.6	276.6	289.1	12.0	7.3	Do. Do	Ordinary 50p	31/5/79 31/5/79	£4.75	£138.60 121.1	£142.90 121.1	£8.20 14.4
46,0 25.1	Outwich investment Trust	Ordinary 25p	8/6/79	1.9	79.7	83,2 95.0	3.4 7.8	32.1 55.0	Broadstone Investment Trust Continental & Industrial Trust	Ordinary 200	31/5/79 31/5/79	5.7 6.4	212.7 295.3	220.1 304.8	13.5 _7.8
19.3	City Financial Administration Ltd. "Investing in Success" Equities		25/3/79	1.7	94.9			131.3 14.4	Trans-Oceanic Trust	Ordinary 25p	31/5/79 31/5/79	5.5 3.3	246.1 151.6	251.9 154.3	16.3 9.5
45.4	East of Scouland Invest Madagers		15/5/79	3.35	244.6	247.3	10.0	i	Do. Do		31/5/79	£5,00	£136.40	F138.90	03.60
63.3	Aberdeen Trust Ediaburgh Fund Managers Ltd.		31/5/79	3.567	134.7	141.1	5.0	·· 77.8	Scottish American Investment Co.	Ordinary 50p	31/5/79	2.95	119.7	120.8	4.4
17.7	American Trust	Ordinary 50b	31/5/79 31/5/79	1.55 1.3	62.2 200.7	63.4 200.7	2.7 20.2	14.1	Scottish European Investment Co. Touche Remnant & Co.		31/5/79	1.6	54.7	54.7	2.5
14.8	General Scottish Trust	Ordinary 50p Conv. Ln. 1993/2000	31/5/79 31/5/79	4.0 £5.50	124.9 £158.60	127.2 £161.50	4.3 £5.50	111.1 31.7.	Atlas Electric & General Trust Bankers' Investment Trust	Ordinary 25p	31/5/79 31/5/79	2.25 2.55 2.75	95.3 82.6	98.2 87.4	2.5 2.6
8.9	Wemyss Investment Co Electra Group Services Ltd.	Ordinary £1	31/5/79	12.5	397.4	397.4	20.8	34.6 48.1	Cedar Investment Trust	Deferred 25p	-31/5/79 31/5/79	2.75	98.5 93.1	100.9 97.4	2.6 2.7 0.7
†	Electra bivestment Trust		31/5/79 31/5/79	5.5 5. 5	İ	† †	† †	32.5 17.3	Continental Union Trust	Ordinary 25p	31/5/79 31/5/79	4.25 ·	173.4 104.1	178.7 108.2	6.7 3.2 2.6
\$40.9	Temple Bar Investment Trust F. & C. Group	Ordinary 25p	31/5/79	5.5	136.6	138.8	1.3	198.4 44.5	Industrial & General Trust	Ordinary 25p	31/5/79 31/5/79	2.15	81.7 113.7	83.9 118.9	2.6 3.0
124.6	Alliance Investment Co		::1/5/79	9.0	*	† 134.9	1 0	59.0 74.2	Sphere Investment Trust	Ordinary 25p	31/5/79 31/5/79	4.0 4.85	175.9 225,4	180.4 231.0	3.0 6.2 5.1
6.8	Do. Do	Conv. Lean 1985/87	31/5/79 31/5/79	3.4 £6.00	· 130.9 £141.40	£145.70	4.8 £5.20	40.8	Trust Union		31/5/79	4.2	167.4	171.5	4.3
200.8	F. & C. Eurotrust Foreign & Colonial Invest. Trust	Ordinary 25p	31/5/79 31/5/79	1.0 1.1625	64.4 119.8	64.4 123.9	5.5 6.6	13.1	Williams & Glyn's Bank Ltd. Sizewell European Invest. Trust	Ordinary 10p	31/5/79	1.5 0.75	97.1	97.1	1.5 2.3
31.9	General Investors & Trustees James Finlay Inv. Management Ltd.		31/5/79	4.5	162.9	167.2	5.5	2.8 3.4	Atlanta Baltimore & Chicago West Coast & Texas Regional	Ordinary 10p	31/5/79 31/5/79	1.1	· 64.8 80.1	54.3 50.1	4.0
, ,	Provincial Cities Trust		31/5/79	Ť	î	Ť	†	12.2	VALUATION THREE-MONTHLY Safeguard Industrial Investments	Ordinary Sin	30/3/79	40	121.1	123.0	_ 1
7.6	Altifund Ltd	Tanital 50n	31/5/79 31/5/79	10.0 0.5	102.3 318.5	102.3 318.5	28 28	5.1	City Financial Administration Ltd. Acorn Securities		29/5/79	-	127.6	127.6	12.3
27.7 30.2	Anglo-Scottish Investment Trust	Ordinary 25p Ord. & " B " Ord. 25p	31/5/79 31/5/79	1.9 *2.65	68.8 113.6	71.0 119.1	28 27 25	17.9	General Funds Invest. Trust	Ordinary 25p	31/5/79 31 / 5/7 9	5.45	266.7 234.7	270.9	9.6 8.5
7.9 5.8	Group Investors	Ordinary 25p Ordinary 50p	31/5/79 31/5/79	1.9 \$1.0	94.6 98.8	98.2 102.9	3.9 4.9		Drayton Montagu Portfolio Mugt.		31/5/79	7.4	255.7	265.5	12.0
11.3 24.6	London & Lennox Invest. Trust London & Lomond Invest. Trust	Ord. & "B" Ord. 25p	31/5/79 31/5/79	v2.0 2.8	74.3 114.2	76.5 116.7	3.5 4.1	190.5	Drayton Premier Investment Do. Do	Conv. Loan 1993	31/5/79	£7\50	£170.50	£177.00	£8.00
11.9	London & Strathelyde Trust	Ordinary 25p	31/5/79	1.6	65.1 72.0	68.8 72.0	3.4 0.2	78.4	Do. Do Drayton Consolidated Trust	Ordinary 25p	31/5/79 31/5/79	£7.50 5.2	E171.10 199.9	£177.70 206.8	£8.00 8.4
14.5	Meldrum Investment Trust		31/5/79	2.1		214.5	12.2	į	Do. Do	"A" Conv. Loan 1994	31/5/79 31/5/79	£7.50 · £6.50	£166.60 £167.70	£172.40 £173.50	£7.00 £7.10
75.8 18.8	Scottish National Trust	Ordinary 25p	31/5/79 31/5/79	3.9 2.85	211.1 148.5	1523	9.2	54.7	Do. Do Drayton Commercial Inv. Co	Ordinary 25p '	31/5/79 31/5/79	£6.50 5.0	£170.80 182.7	£176.80 187.5	£7.20 7.7
90.3	John Govett & Co. Ltd. Border & Southern Stekhides. Tst.	Ordinary 10p	31/5/79	1.7	87.8	89.2 101.5	4.1	15.9	Do. Do English & International Trust	Conv. Loan 1986	31/5/79 31/5/79	25.25 3.8	£146.20 132.2	£150.00 138.3	£6.10 5.0
42.4 13.2	Debenture Corporation	Urdinary 12:0	31/5/79 31/5/79	2.75 2.3 1.8	100.2 161.7	172.9	2.7 12.0	9.2	Do. Do	Conv. Loan 1985	31/5/79 31/5/79	9.0	2160.20 341.3	£167.60	£7,10 22.0
18.0 66.5	Govett European Trust Lake View Investment Trust Do. Do.	Coningry 25p	31/5/79 31/5/79	3.0	79.6 138.0	79.6 141.8	6.9 7.2	7.8	British Inds. & Gen. Inv. Trust Do. Do	Deferred 25p	31/5/79 31/5/79	F6.50	149.6 171.00	153.6 X175.50	9.2 £10.50
20.0	Stockholders Investment Trust	Conv. Laan 1973/98 Ordinary 25p	31/5/79 31/5/79	£4.00 2.35	£184.00 138.1	£189.10 142.7	£9.60 8.8	16.8 2.5	Drayton Far Rastern Trust	Ordinary 25p	31/5/79 30/5/79	1.025	48.8 - 62.4	48.8 #2.4	3.8 4.5
96.6 19.1	G.T. Management Ltd.	Ordinary 25p	31/5/79	1.0625	96.3	96.3	3,4	2.5 5.7	Montagu Boston Investment Trust Fast of Sectional Investment Muzza.	Ordinary 10p	30/5/79	0.875	57.3	57.3	2.4
	Do Do	Conv. Loan 1993 Ordinary 25p	31/5/79 31/5/79	. 14.25 2.0	£139.60 200.2	£139.60 x199.1	£4.90 6.8	120 31.3	Dominion & General Trust Pentland Investment Trust	Ordinary 25p	31/5/79	3.5 4.55	261.0 - 168.2	270.6 172.7	13.8 9.3
‡18.9	Do. Do	Conv. Loan 1987 Ordinary 25p	31/5/79 31/5/79	£8.50 3.45	£124.10 183.2	£123.40 188.5	£4.20 6.7	-				:			
S.1	Hambro Group	Ordinary 255	21/5/79	5.95	295.6	305.2	8.8	Valuation m	TS to table published 18th May, 1973 onthly: Jardine Japan Investment	Trust Col. 1 should	read 18.3;	. /	• • •		
27.5 5.1	City of Oxford investment reast	Ordinary 25p	31/5/79 31/5/79	3.85 4.1	111.6 150.0	115.1 165.1	7.2		London & Holyrood Trust C	ol 1 should read 40.0).	<u> </u>			
ì	Rosedimond Investment Trust Rosedimond Investment Trust Henderson Administration	Cap. Shares 25p	31/5/79	=	152.7	152.7	0.7	* Applies to Ot	dinary/"A" Ordinary only. † Company (b)	Cols. 1, 6. 7 All revenue	account its	ms are (t) Cols	. 6-7 Prior p	charges are dee	ned to include
	Henderson Administration	Ord. & "B" Ord. 25p	31/5/79	*2.65	131.3	139.8	7.1	2670bBcP	year-end or interim results shortly-	WACINGED.			DESIGN	ence share cap	TCBI.

7.1 6.8 7.6 0.7

Ξ

114.4 139.7 83.2

162.5

212.8 127.7 267.8

130.1 100:0

139.7

39.3 82.2

147.9

202.9 125.1 264.2

97.3

*2.65

† 1.65 2.8

6.87 4.25 9.15

31/5/79 31/5/75

31/5/79 31/5/79 31/5/79

31/5/79

31/5/79

31/5/79 31/5/79

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reions published liquite. B Dependent (d) Cols. 5 conventions.
Listed investments are valued at soid-market prince; unlisted at directors' valuation; beth include 100 per cent of eny investment curreccy premium after taking into (e) Col. 5 account the premium on any surplus or on any shortfell of further currency assets against fereign currency assets against fereign currency leans.

announce year-end or interim results shortlyusing in the proof charges since the brevious (c) Cols. 1, 6, 7

Includes special dividend
digested for rectp issue, at Adjusted for rights
E. 25cm note (h) below. 9 Not directly comble with previous published figure. 8 Dependent (d) Cols. 5-8

"B" share convenzions.

(b) Cols. 1, 6, 7

All revenue account terms are (t) Cols. 6-7

excluded.
No account has been taken of any
liability in respect of taxable gains
which might arise on future disposal
of investments.

(g) Col. 8

investments.

The proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof of the state of the proof o

Prior charges are deemed to include preference share capital.

The amount por share/stock unit represented by 100 per cent of the investment currency gramum applied in calculating the valuation for Cols. 1, 6 and 7.

Convertible loan/preference stocks are treated in the way which produces the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion data, or where a figure is marked "x" as prior charges; warrants or subscriptions

NORTH AMERICAN NEWS

SEC to decide soon on disclosure

chairman of the Securities and of the Securities and opportunities in foreign com-Commission, said panies, or had to send their here this week that a recent five county tuor of West European age of them if foreigners made had heightened his awareness of the difficulties that Germany, the Netherlands and foreign companies claimed in Switzerland, Mr. Williams said meeting disclosure requirements he found widespread disquiet to get a listing on U.S. securities markets.

Swizeriand, Mr. Swazeriand, Mr. S

expected to rule shortly on the so-called "20K proposal" concerning the amount of infor-U.S. listings, partly because mation that foreign companies companies based there often had

Edper takes

By Robert Gibbons in Montreal

Brascan shares at CS 28 a share

Peter and Edward Brenfman

interests, and one-third by the

Patino mining family, will take

up 49.514 per cent of the total

shares tendered under the offer

This completes Edper's take-

over of 50.1 per cent of Bras-

can, the large Toronto-based

holding company which controls

products and resource areas.

Earlier, Edper and Patino forced Brascan to drop a

U.S.\$1.2bn bid for the Wool-

Brasean share trading was

haited in New York and on the

Canadian exchanges yesterday

morning, but was expected to re-open shortly.

Scott, Foresman and Co., whose

principal business is textbooks.

Scott, Foresman

share from 16 cents.

worth merchandising giont.

services, consumer

two-thirds owned by

control of

Brascan

he had shunned the U.S. markets After talks in Britain, France,

is different from the U.S., he said. At the same, he detected no breach SEC rules, great push in Europe to acquire be concerned if U.S. investors debt-equity ratios in their books profession's self-

ogencies would react favourably. Board, Stewart Fleming adds from restrict capital abroad to take advant- New York: In a separate devement as age of them if foreigners lopment, the SEC has added its neededvoice to critics of the accountancy profession who fear that when auditors provide management on consultancy services to their clients.

The SEC has voted to warn The SEC, he said, did not product or geographical area, accounting firms and their want to operate a double and on executive salaries. This corporate clients that a number standard on financial disclosure was because of financial, and of the non-audit services the between U.S. and foreign comindeed cultural traditions very accountants offer may impair

In recent years, the major accounting firms have been But he said the SEC should but to translate the often high concerned if U.S. investors debt-equity ratios in their books

accounting nrms have been drawing increasing fees by offering their clients management advisory services, and the SEC accounting to reviews and tax services are not being listed by the SEC are services which it feels auditors should not provide for their profession's selfmust make public to investors no need to borrow in the U.S., offering their clients managein order to be listed in the U.S. or if they did, they found it diffiBut he said the SEC should only to an advance of the said the SEC should only to an advance of the said the sa

HAROLD WILLIAMS, were deprived of good equity in ways to which the U.S. rating agency, the public Oversight man of the Securities and opportunities in foreign compagencies would react favourably. Board, conjuded that new restrictions on such management advisory services are not

> The SEC, however, has listed six kinds of service which it should not carry out for their clients, although it is not taking step of banning them. Among the services listed

services, plant surveys, consult-ing on pensions, employee benemer surveys, public opinion polls and psychological testing. However, because of cost advan-tages, internal accounting con-

GTE wins battle over Telenet

BY MAX WILKINSON

BRASCAN stockholders offered legal battle to be able to take just over 10m shares in response to the bid by Edper Equities for a maximum of 5m switching computer data The take-over, valued at \$55m throughout the U.S. This means that Edger, which

is an important move in the legal and commercial struggle for dominance of the growing data communications market. As elephones move into the

computer era, the distinction hetween information sent through the telephone network and the transmission of computer data is beginning to disnearly C8 6bn in assets in the

At the same time, new techniques like facsimile transmission and electronic mail are opening the possibility that computer networks will compete with ordinary letters sent by

The acquisition of Telenet by

tranics oft he U.S. has won its pany into a good strategic posilegal battle to be agre to the company over Telenet, the company the computer and telecommunications which operates a net work for cations industry. International to us which operates a net work for cations industry. International to us which operates a net work for cations industry. International to us which operates a net work for cations industry. International to us which operates a net work for cations industry. International to us which operates a net work for cations industry. International to us the computer and telecommunication of the computer and telecommunication. tion against the other giants of use the telephone network, but business through its participatems. ITT also has ambitious plans in the field, and both companies will come up against the much debated monopoly of American Telephone and Telegrap over the telephone trans-

> GTE': acquisition of Telepet may prove an important factor its uploitation of Viewdata, the electronic informations system for which it has taken a licence from the British Post Office through INSAC, the Goverument's software marketing company.

mission network.

GENERAL Telephone Elec. GTE therefore puts the com- puterised library of information, was orginally designed to to use a data network like Tele-

> GTE issued 2m shares to Telenet stockholders yesterday exchange for 2.7m Telenet sbares. The deal went through only a day before CTE's dead-line for withdrawing its offer. At the last minute the Federal Communications Commission withdrew some of its more onerous conditions for the

The FCC had been insitting that GTE and Telenet should be run as entirely separate financial entities, so that GTE would be unable to cross-subsidise Telenet. These conditions, which were unacceptable to GTE, have no been modified Viewdota, which can link a and a compromise has been modified television set to a com-reached.

Harding Carpets shows increased loss

BY OUP MONTREAL CORRESPONDENT

raised net earnings to \$27.85m HARDING CARPETS, one of from \$23.09m for the year ended April 30, writes our financial staff. Sales increased to \$225.2m from \$189.9m and earnings per loss of C3736,000 against a loss ordinary items. share improved to \$2.40 from \$2.00. The quarterly dividend is being raised to 20 cents a of C\$462,000 a year earlier, on Both figures exclude extra- pany said, because of a five- lower rate of new office and ordinary items.

week strike at its Quebec plant, home construction. ordinary items.

The half-year loss was C\$1.2m. and also a fall in demand. Canada's largest carpet pro- against a loss of C\$919,000 a ducers, reports a second-quarter year earlier, excluding extra- in Canada has been suffering

Second-quarter results were sales of \$C16m against C\$18m. poorer than expected, the com-

The carpet-producing industry from over-capacity and demand may be affected this year by a

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Gillette sued by Warner

Lambert MORRIS PLAINS-Warner Lambert has filed a complaint against Gillette, accusing the shaving year manufacturer of violations of Auti-trust Laws, unfair competition and breach

of contract.
The complaint by Warner-Lambert, which markets razors and blades under the Sehick name, accuses Gillette of monopolisation and attempts to monopolise the

non-electric shaving industry. Warner-Lambert said its suit charges that Gillette has "employed its monopoly power to foreclose competition in the sale of razor cartridges and that Gillette seeks to prevent the truth al advertising and promotion of competitors products."

Warner-Lambert charged Gillette with an attempt to deceive the consumer public by falsely claiming that only its Aira the newly-announced Atra

The company said the im-pact of Gillette's programme is to deny consumers "freedom of brand choice, require the trade to carry unnecessary blade inventories and restrict Warner-Lambert and other blade manufacturers from competing against Gillette," the dominant factor in the non-electric shave market.
In Boston Gillette denied

the allegations by: Warran-Lambert, "We deny all allegations in the complaint as weunderstand them and will visconusiv defend ourselves erainst all those claims," said Mr. David Fansch, vice-president corporate relacions. We are satisfied that the design and introduction of the 'Atra' Invitation Bazor fully

romalies with all applicable The "Atra" Invitation
Recorded on the production before tooling ordered Warner-Lombert announced its nigns for the introduction of any Schick hinde cartridge which would fit an Atra

Increased loss for Arlen Realty

NEW YORK-Arien Realty.

reser." he said.

Agencies

and Development Corporation said the decline in revenues of continuing operations was due in part to reduced rentals resulting from the sale of real estate properties. It annonneed a loss of \$120.8m for 1978-79 compared with a le of \$170m in the previous year. default under various debt agreements, it said the ranegotiation of its with institutional and certain other creditors is continuing. Definitive agreements and

Arien said it expects the structure agreements will result in an income gain for accounting purposes during fiscal 1986. There are no. plans to restructure any trade debt or publicly held deben-

been reached with a number

Arien said that ies accountants, Coopers and Lybraud. said the first will summit a qualified opinion on its audit.

Arien also said the loss eported for financial reporting purposes on the sale of Korvettes may be partially offset in future years to the extent that it receives certain contingent payments from the vided for in that transaction As a result of the less for the fiscal year, Arlen shareholders' equity declined to a deficit of \$211.5m.

GM reaffirms dividend policy

NEW YORK - A General Motors Corporation spokes man dented news reports of future" and reiterated the company's policy to "pay divi-dends which over the longer term will compensate for return to stockholders their investments.

In a short statement, General Motors pointed to the recent increase in the com-pany's regular quarterly divi-dend rate to \$1.15 a share in the second quarter of this year as well higher dividends in the first six months.

and for car sales. There has been no change in the dividend policy of GM which is to distribute the maximum amount from current earnings

statement, GM reiterated that it is currently forecasting capital spending at \$5,5bm in 1979 and in the

EUROBONDS

U.S. statistics and build-up of new issues hit prices

gave up some ground yesterday, the 15-year life, as the market's recent rally lost Finland's TV

The continued build-up in supply and industrial output rates, statistics overshadowed trading, option according to dealers.

The U.S. industrial holding

company. IC Industries, is launching a \$75m 12-year bond. The issue offers a new twist to the convertible/fixed formula seen on a couple of recent issues.

The bond will carry a floating rate of interest of a percentage points over Eurodollar interbank rates, with a simultaneous optional fixed rate of interest of 82 per cent. This conversion option will be offered through-

out the bond's life.

Manufacturers recently offered a \$100m convertible where the flixed interest option was only avail-

Finland's TVO chose another method when it offered \$30m of bonds under which concevrsion new issues and uncertainty to a fixed rate was automatically ahead of the latest U.S. money triggered by falling Eurodollar rates, and not at the investor's

> Lead manager for this latest issue, Banque de Paris et des Pays Bas, considers that its fermula gives investors added protection against falling Interest rates. Invitation telexes for the bond, which has a 10-year average life, were being sent out last night.

> Among new issues freed for trading the \$100m of Kennecott bonds, bearing 91 per cent at 991, were being quoted yesterday at 974, 98.

Credit Suisse First Boston, the per smid strong demand. sole manager for the \$50m Alcoa Australia issue, reportedly imposed tight allocations to underwriters. The issue had been this week.

EURODOLLAR bond prices able for the first seven years of heavily oversubscribed. But it gave up some ground yesterday, the 15-year life. drifted to 991-991 in initial

trading. . In pre-market trading, several . other issues were moving well. indicated as less 1 to one, while the \$100m Unilever issue was quoted at less 11 to 2; and was reported by dealers to have

already been sold out. The market in Neutsche-Mark Eurobonds was largely nominal, due to the closure of German centres

The DM 100m seven-year issue for the Inter-American Development Rank has ben priced as Neutsche Bank. The DM 200m 72 per cent issue as par for was quoted vesterday at 991 to Roth issues have henefited

Strong second half seen by Eagle-Picher group

CINCINNATI — Eagle-Picher In fiscal 1978 ended Novem-Industries, a chemicals and ber 30, Eagle-Picher estrued group, expects \$2.70 a share. business to continue strong in Eagle-Picher noted that it has the 1979 fiscal second half, with been experiencing increased the rate of earnings gain for demand for its products going the year above that of its trend into smaller cars which has off-

the past 10 years.

set volume losses due to lower The company, which earlier sales levels for full size autos, reported improved 1979 first Eagle-Picher said, however Eagle-Picher said, however. half results, said its earnings that profit margins tend to be per share have grown at a lower on these types of parts per cent annual com- and will affect its automotive pounded rate over the past 10 graup's performance

announced the suspension of information concerning action trading for a 10-day period taken by the Federal Deposit beginning yesterday in the Insurance Corporation which common stock of southern may affect the bank's status as National Bank, Birmingham, an insured bank." Al°bama.

the trading suspension was market; ordered at the request of the APDJus r

Bank shares suspended WASHINGTON — The bank to permit time for Comptroller of the Currency dissemination to the public of

The bank's securities are The comptroller's office said traded in the over-the-counter

from around the DM bond markets Warning for

Canadian

borrowers By Our Montreal Correspondent

COMPANIES HAVE been advised to raise new funds at . once, because interest rates may climb higher and the money market tighten, says Mr. Peter-Campbell, life president of Wood Gundy, Canada's largest investment concern.

Short-term interest rates probably have not yet peaked, and long-term rates have hit their bottom level, Mr. Campbell, said in Toronto.

"This is by no means a headfor the hills scenario but it is an argument for companies to accelerate financing plans to take advantage of the unique cost structure in the market."

Any drop in short-term rates will be modest because of the shaky Canadian dollar and pessimistic expectations about the U.S. economy, he said.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on June 14

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INTERNATIONAL COMPANIES and FINANCE

may take Honeywell **Bull stake**

M. ROGER MARTIN, the a-Mousson, has confirmed that the company would like to take a large stake in Cii Honeywell Bull, the French computer group which is just emerging from a period of state-assisted

reorganisation.
Speaking to shareholders at the St. Gobain annual meeting, M. Martin said that the project had been under evaluation for some time and was not yet

But he made it clear that the group was pinning its hopes on a diversification into the elec-tronics and information field.

He also expected this year's turnover to show a 10 per cent rise on the FFr 34.2bn (\$7.74bn) Rumours of changes in the

French shareholdings in Cii Honeywell Bull have been circulating for some time. The main hope for St. Gobain is that it can buy out the 20 per cent stake held by the Compagnie Generale Electricite (CGE), the French electrical group, in Machines Bull, the majority shareholder in Cii Honeywell.

CGE said earlier this week that it was studying proposals for the future development of the French computer company, in which Honeywell Informa-tion Systems of the U.S. holds

a 40 per cent shareholding. CGE's remarks indicate that tough negotiations are going on between the two companies and the French state, which is also a shareholder in Machines Bull. But it is widely believed that the electrical group would not be averse to a sale on the right terms because of its own interest in the information systems industry in which Cli has been developing its

activities.
St-Gobain's objective is to move into a dynamic sector which can help to improve ou the sluggish earnings record in its traditional businesses such as flat glaze, packaging, fibres and asbestos. The opportunity for the company to make this change lies in its strong cash

Although M. Martin told shareholders that the group's reorganisation policy was beginning to throw up signs of an improvement in France, the forecast for sales growth stands at about the same level as last year's -10- per cent. This will allow the company to stay roughly level with the projected rate of inflation.

NCR acquires data concern

AUGSBURG - NCR Deutschland GmbH, a subsidiary of the NCR Corporation of the U.S., has acquired Data Pathing Europa GmbH (DPI) of Cologne, a company specialising AP-DJ

St. Gobain Rhone-Poulenc in U.S. expansion

BY TERRY DODSWORTH IN PARIS

force in U.S.

The company is also aiming to broaden its business base in America, with interests ranging had reached "very substantial"

America, with interests ranging from chemicals and agrochemicals to the information and communications industry and pharmaceuticals.

Outlining these plans in Parls yesterday, M. Gaetano Pirrone, deputy managing director of Rhone-Poulenc, said that profits of the main holding company in the U.S. should rise to \$6m this year after a return of \$2m in 1978 and \$1m in 1977. The

As a result of the merger of Anken with Rhone-Poulenc Incorporated the grown and shelved a project under the RHONE-POULENC, the diversified French chemicals company, planned absorption of Anken will be investing between Industries, its recent acquisified French chemicals company, planned absorption of Anken with Rhone-Poulenc shelved a project under which tion, which will bring in pre-tax profits of some \$5m.

(\$68m) a year in its attempt to establish itself as a significant force in U.S.

These profits will be offset for tax purposes against losses carried forward on the to broaden its business base in American operations, which had reached "very substantial" had reached "very substantial" pharmaceuticals, will be mainfrom ghemicals and agree the state's proportions which had reached "very substantial" pharmaceuticals, will be mainfrom ghemicals and agree the state's proportions which the merger of The French government has shelved a project under which introprorated the group will introprorated the group will interest a hoding companies shelved a project under which introprorated the group will interest in the two French comment has shelved a project under which interporated the group will never two main operating arms. Rhone - Poulenc Chemical, aviation companies Societe and Rhone-Poulenc Systems, the former Anken interests. The third branch of business, the profits will be mainfrom ghemicals and agree the state's proportion to the former Anken interests. The third branch of business, the profits will be mainfrom ghemicals and agree the state's proportion to the merger of The French government has and communications sector.

As a result of the merger of The French government has shelved a project under which introprorated the group will never two main operating arms. Rhone - Poulenc Chemical, aviation companies Societe that the proportion of the merger of The French anken interests. The shelp are the state's proportion that the proportion of the merger of The French anken interests. The shelp are the state's proportion that the proportion of the merger of The French anken interests. The shelp are the st des Avions Marcel Dassault-Brequet Aviation, Beuter

reports.
Acrospatiale is wholly stateowned, and the Government has held a 21 per cent interest (with double voting rights) in Dassault for the ast two years. The government had originally intended to co-ordinate the activities without affecting their autonomy or

Lurgi sees peak order inflow

engineering group, is expecting 1978-79 to be a record year for orders. Already projects worth some DM 2.6bn (\$1.36bn) have been firmly booked and as others are in course of negotiation, the figure could be far higher when the business year ends on September 30.

order inflow far exceeded the group's plans and was well above the previous year's levels. However, it had been generated by a few large projects and, had they failed to materialise, there would have been a "catastrophic" decline in the value of

bookings. He warned that the earnings potential of the orders booked had declined in relation to the volume. He blamed this on increased costs and rising com-

petitive pressure. Even so, the group's order book currently stands at DM Countries accounted for 18 per could be forced 3.8bn compared with DM 2.5bn cent of orders, while developat the end of 1977-78 business ing countries generated 11 per stabilise its prices.

year — also a good year for the group. The order inflow shows a striking improvement over 1977-78's DM 1.46bn, which, itself, was slightly higher than the previous year's level. proved performance to continue

Dr. Dietrich Natus, Lurgi's of DM 2bn. In 1977-78 group chief executive, said that the sales stagnated at about taking the group's annual sales up to a new high chief executive, said that the sales stagnated at about 1977-78 group order inflow far exceeded the 1.5bn, although earnings were slightly higher in the previous But the group — a sub-sidiary of Metallgeselischaft is heavily dependent on over-

seas business and this is causing the management concern.

weak at only 16 per cent of the total inflow in 1977-78. in contrast, some 40 per cent of bookings came from Communist bloc countries. Orders from members of the Organisation of Petroleum Exporting

western Europe and other industrial countries placed 15 per cent of the bookings. In 1978-79, the group's reliance on overseas business increased as a substantial chunk of the orders came from

fears are further fluctuations in the world's leading trading currencies — particularly a renewed weakening of the dollar — and the growing subsidise exports.

Lurgi is still managing to do most of its business on a Deutsche-Mark basis, but Dr. Natus said there was a growing trend for customers to choose the dollar for the contract currency. This was particularly true of the Chinese. This mean that Lurgi, which ment with outside suppliers, could be forced to foreign

Four month surge by PK banken

banken reports a January-April operating result of SKr 249m (\$57m), up 49 per cent from would on special te SKr 167m for the same period elsewhere, but will e last year. The bank attributes tax benefits as well. the improved earnings to rapidly expanding business volume, a lower average discount rate and a higher yield on its bond portfolio. However, it predicts that results for

1979 as a whole will not show this rate of improvement. The four-month operating result is given after deduction of a newly-introduced calculated provision of SKr 13.3m for possible lending losses, and figures for 1978 have been adjusted accordingly. The bank had previously charged such losses

against reserves. One of the factors the bank ing on July 1 under which com-

Standard Chartered

announce that on and

after 15th June, 1979

the following annual rates

will apply:

Base rate 14%

(Increased from 12%)

Deposit rate (basic) $11\frac{1}{2}\%$

(Increased from 94%)

Standard Chartered
Bank Limited

114-116 St. Mary Street, Cardiff CF1 1XJ

Commercial Bank of Wales

announces that, for balances

15th June 1979

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Limited

BANC MASNACHOL CYMRU

SWEDEN'S state-owned PK- panies placing surplus funds 3.3 per cent rise on year-end with Sweden's central bank will not only earn as much as they would on special term deposits elsewhere, but will enjoy special

> In January-April 1979 the discount rate averaged 6.5 per cent, against 7.65 per cent a year earlier. This boosted earnings by some SKr 40m since interest yield on the bank's bond portfolio is fixed in the short term while financing it became cheaper. But these effects will fade away later this year, because the present discount rate was set in July 1978.

Business volume has grown so

PRIPPS, the mainly state-owned company which is Sweden's biggest brewer, predicts that pre tax earnings for the year end-ing September 30 will be SKr 5-10m less than the 70m (\$18m) it recorded the previous year on turnover of SKr 1.35bn (\$308m). The concern had earlier forecast a slight improvement in profits, writes Victor Kayfetz in Stock

The interim report for the seven month period October-April shows a pre-tax profit of SKr 11.5m (\$2.6m), down from fast that equity capital plus SKr 21.6m a year earlier. Sales reserves appear unlikely to stay rose by 3.5 per cent to at the current percentage of the SKr 742m, but volume was unbalance sheet total, which at changed, with sales of beer and SK2 61.7bn (\$14.1bn) on April other malt beverages down earnings is a new system start- 30 represented a 15.6 per cent slightly and those of soft drinks

Belgian chemical group continues recovery

achieved last year by Union Chimique Beige (UCB), the Belgian chemical and packaging film company, has been followed by further progress so far in 1979, although there is still caution over lasting recovery

Addressing the annual meeting, M. Paul Foriers, the chairman, said the recent level of activity "has been good, better even than we anticipated." This was particularly true of the chemical sector, where demand

had been lively.

UCB, which has not paid a

with a net profit of BFr 103m (\$3.4m) compared with a 1977

deficit of BFr 397m. M. Foriers said that there could be no real certainty about prospects until final consumer demand showed clear signs of increasing "and thus sumer of a healthier market position, which is the precondition of a

durable recovery."

Despite the climb from loss to profit last year, UCB still has some way to go before return-ing to its 1976 group earnings level of BFr 184m. Exceptional profits of BFr 129m before tax UCB, which has not paid a aided the 1978 profit picture dividend since 1976, moved considerably. Total sales gained sharply out of the red last year a mere 3 per cent to BFr 17.7bn.

DG BANK

DG Bank Finance Company B.V.

U.S. \$50,000,000 Floating Rate Note Issue due 1982

For the six months 15th June. 1979 to 17th December, 1979 the Notes will carry an interest rate of 10% per annum.

By: Morgan Guaranty Trust Company of New York, London Agent Bank

To the holders of

The Long-Term Credit Bank of Japan, Ltd. Negotiable Floating Rate U.S. Dollar Certificates of Deposit - Maturity date 15 December 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the third six month interest period from June 15, 1979 to December 17, 1979 the Certificates will carry an Interest Rate of 10%% (ten and three eighths per cent)

Reference Agent The Chase Manhattan Bank, N.A., London

Profits rise as sales decline at Esso AG

HAMBURG—Esso A.G., the West German unit of Exxon, had 1978 net profit of DM 253m (8132.5m) which showed a sharp improvement from a 1977 loss of DM 56m.

Esso sales actually declined 1.8 per cent to DM12.455bn last year from DM12.68bn in 1977, while sales of oil products rose 2 per cent to 20.3m metric tons from 19.9m tonnes.

The company ascribed its sharply improved earnings to a number of measures Esso initiated some time ago. to increase profitability.

Refinery production had been adjusted to the increased demand for gasoline and light heating oil, and energy savings measures were instituted in the conversion at refineries of pri-mary energy into secondary

Gasoline accounted for 22 per cent of the company's 1978 sales, up from 20 per cent in share of light beating oil in sales rose to 54 per cent from

47 per cent It benefited from a stabilization of prices on the West German market for petroleum products and from the fact that the sharp rise of the Deutsche Mark against the dollar had allowed crude oil procurement at advantageous conditions.

In 1978, Esso's capital spending rose 7 per cent to DM430m from 1977.

Esso said that it and its parent Exxon, were more affected than other oil comsupply shortage of 5 per cent not only because Exxon had lost its share in the production of the Iran consortium but also and producers are not deliverthe quantities they tradition ally used to supply to Exxon.

These supply shortages can-not totally be covered by shortterm purchases elsewhere according to Esso and the company advised its customers and partners recently that it would not be able to totally cover all their requirements,

In the light of this Esso said it would try to contribute to adjusting demand to limited supplies by constantly pointing to the need to save energy and would attempt to counter inflationary trends through a moderate price policy. Esso would conduct a careful purchasing policy so to avoid unnecessary price rises on international oil mar-kets and build up stocks to safeguard the market supply in the coming winter.

Activity in new issues eased by Swiss

By Our Financial Stuff SPARP CUTBACK in new

issue activity on the Swiss capital market is proposed for the third quarter of this year. The Swiss Capital Market Commission has set at SWFr \$24m the amount of new money seam the ancurry of new money to be raised on the domestic bond market during the three months to September. Against the third quarter of 1978, this figure represents a decline of a fillh.

The second quarter of 1279

saw SwFr 1.30bn of new money raised, while the third quarter of last year produced new fund-ing of SwFr 1.05bn, Taking in the summer holiday

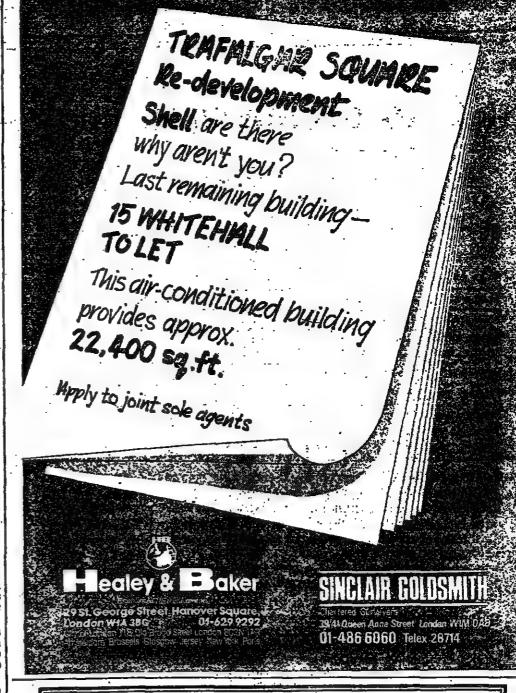
"lull," the third quarter is traditionally a slack period. Even so, for 1979 it appears likely to coincide with a bout of prolonged uncertainty for the

proloaged uncertainty for the bond market.

Against a background of rising capital outflows in line with the foreign exchange recovery of the dollar, the market in Zurich has become unsettled. The situation prompted the Swiss central bank to market the the swiss central bank to market the structure of the swiss central bank. to move earlier this month to boost bank liquidity.

O Swiss chemical concern Ciba-Geigy is to acquire the capital of S. J. Tutag of the U.S. for some \$8.5m. Tutag, which is based in Colorado, employs 380 persons in the manufacturing marketing of pharma ceuticals and proprietary goods. The deal is the most recent

series of Ciba-Geigy acquisitions in the U.S.



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With effect from the close of business on Friday 15th June 1979 and until further notice TSB Base Rate will be 14% per annum.

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Coutts & Co. announce that their Base Rate will be increased from 12% to 14% per annum on 15th June, 1979 until further notice.

The Deposit Rate on monies subject to seven days' notice of withdrawal will increase from $9\frac{1}{2}\%$ to $11\frac{1}{2}\%$ per annum.

المكذا من الله الله



•	1978	1977
Conventuore de la conventación d	FF 0C0's 6,544,736	FF 000's 6,320,726
Group turnover	0,944,730	0,320,720
Total profit before taxation	382,584	358,027
Total profit after taxation	163,371	181,527
Profit after taxation and translation gains attributable to members of the Company	220,105	159.715
Cash-flow	695,053	632,412
Earnings per share	FF 38.63	FF 34.35
Dividend per share	FF 13.40	FF 11.18
Tax credit per share	FF 6.70	FF 5.59
·Total dividend per share	FF 20.10	FF 16.77

Salient points from the Report to the Shareholders

 The net profit attributable to members of the Company shows an increase of 38%. This is principally due to:

 the increase of 31% of the result of the operating group "Cements and Concrete in France" due mainly to the lifting of Government control of selling prices at mid-year,

 the profit of 8.9 million francs of the operating group "Refractory products and furnace construction", against a loss of 8.5 million francs

 The translation gains for the year amounted to 37.6 million francs, against 8.7 million francs in 1977 (shown as extraordinary items). These represent gains on translation of the net monetary assets of foreign companies, particularly in Canada.

■ It is proposed to the next Annual General Meeting to fix the dividend per share at FF 13.40, an increase of about 20% over 1977. This dividend will also apply to the new shares issued in October 1978. which will result in a 47% increase of the total distribution.

 Profits are expected from all the operating groups in the coming. year.

> 28, rue Émile Ménier, Paris 16e. Tel: 502 11-10. Telex: 620804 F.

> > Sept. Coffee 2078-2092

SONY CORPORATION

.S. accounting rule holds back profits

CONSOLIDATED net profits of CONSOLIDATED net profits of Sony Corporation fell by 35.6 officials were pleased by the vide per cent to Y7.88bn (\$35.8m) results, pointing to a substanin the six months to April 30, from Y12.22bn in the same period of the previous year— but would have doubled but for the following of the U.S. Federal Accounting Standards Board guidelines, the company

Under the impact of the U.S. counting requirement, FASB 8, applying to foreign currency translations, net income for the econd quarter alone was down

by 49.3 per cent to Y3.46bn.
Consolidated sales reached 3
record of Y294.21bn (\$1.3bn)
for the first half, up 15.3 per
cent, and totalled Y143.87bn in the quarter, for a gain of 20.7

tial rise in pre-tax operating profit of 98.0 per cent to -Y34.57bm in the half, and the sharp gain of 199.2 per cent to Y19.26bm for the quarter. They said that strict measures to rationalise production costs and

higher value-added product sales were behind the increases. Overseas sales accounted for 56.9 per cent of the total, up 13.4 per cent to Y169.54bn while domestic sales gained 17.8 per cent. Home video tape recorder sales gained 36.3 per cent to Y54.96bn, while television sales rose 4.6 per cent to Y80.46bn. The company expects that tele-

Video tape recorder sales were boosted by the introduction of new models with longer playing times. A cheaper model has just been announced.
Magnetic tape sales were of all sales, and pushing miscel-

Sony's overseas sales to Africa. the Middle East and South-East Asia, about one-third of the total, were up by nearly 50 per cent, while sales in Europe gained about 30 per cent. U.S. sales in yen terms, also roughly one-third of the total, were down a little after consolidation, desvision sales this year will rise of about 15 per cent, as a result to over 2m sets, from 1.9m last of the FASB requirements.

laneous sales up 27.3 per cent to

Sony said that if accounting procedures used up until 1976 concerning translation of foreign currencies from foreign subsidiaries had been applied there would have been a sharp increase in profit. Sony officials accounting for 10 per cent are advocating the abandonment sales, and pushing miscelus sales up 27.3 per cent to for translation of those foreign currency transactions at histori-

cal rather than at current rates.

A good part of the accounting

loss is not subject to favourable tax treatment in Japan. Sony's parent company results lend weight to the group's statement on FASB's effect on consolidated net profits. The parent's net profit in the half was up 23.8 per cent to Y11.355bn, on a sales gain of 10.7

Accounting procedures have played havoc with Sony's results over the past year. In one quarter they made net profit arti-ficially high, because of a sharp appreciation of the Japanese currency. This has not helped the 'company's image as it has attempted to pull out of a period of difficulties

Despite the main problems in the world economy, Sony expects that good progress will be made during the second half of this fiscal year. It does not expect any adverse impact on sales even if the U.S. slips into a long-awaited economic recession seeing most of its customers as being in income brackets which will not be squeezed by a slow-

Earnings increase at Volkskas

By Our Johannesburg Correspondent VOLKSKAS — South Africa's

major Afrikaner-oriented bank, with diversified industrial interests—increased its taxed profits by 35.1 per cent, to R²².8m (\$27m) in the year to March, from R16.8m the previous year, as a result of largely improved contributions from its sugar subsidiary, Transvaal

The preliminary report indi-cates that Volkskas' net asset has increased to R3.08bn from R2.92bn. An improvement in banking operations also played an important role in lifting earnings, which amounted to 102.6 cents a share, against 78.1 cents. The final dividend is raised 3 cents to 15.5 cents. bringing the year's total payout to 26 cents, compared with 22

Saudi British Bank

The Saudi British Bank opens its new branch at Qatif on Saturday as part of an expan-sion which earlier this year added a branch in Jubail to those in Jeddah, Riyadh, Aikhobar and Danimam

INSURANCE BASE RATES

Petronas reveals profits above U.S. \$300m in 1978

BY WONG SULONG IN KUALA LUMPUR

PETRONAS, the Malaysian Opposition member, who asked operation between Petronas and state oil company, it is revealed, whether Petronas would conmade profits of 674m ringgit sider switching its investments Mr. Sid Laverty, the mission state oil company, it is revealed, made profits of 674m ringgit (U.S.\$302m) in 1978, against 662m ringgit in 1977 and 250m ringgit in 1976, Datuk Hussein Onn, the Prime Minister, told Parliament.

However, from 1976 to April this year. Petronas incurred a book loss of 95m rangeit as a result of the depreciation of its

holding in U.S. dollars. This is the first time that profit figures have been released for Petronas, which is registered as a private company. In 1975, the first full year of operation, it made a loss of some 500,000

away from U.S. dollars. Datuk Hussein said that there

was no intention to switch subbecause away, Petronas was involved in several major projects that had to be paid in U.S. dollars, Also, such investments were yielding satisfactory rates of return. Since August last year, how-

ever, the current income of Petronas had been converted into Malaysian currency, and invested at home.

Meanwhile, a visiting oil misringgit. sion from the Canadian pro- 1bn ringitt from oil the The information was given in vince of Alberta has expressed. 850m from income reply to a question from an optimism of prospect for co- 150m from royalties.

Mr. Sid Laverty, the mission leader, said that the team discussed with Petronas various possibilities for cooperation, in-cluding the sale of drilling bits, and the local manufacture of oil

and gas equipment.
Alberta produced 85 per cent
of Canada's oil and gas, said Mr. Laverty, and it was capable of providing advance technological expertise and equipment for Petronas' needs.

Datuk Hussein, in reply to another question in parliament, said that the Federal Government was expected to receive 1bn ringitt from oil this year-

Official bond purchases in Japan

stry is to buy Y700bn of Bureau and National Bond Connational bonds from Japanese solidation Fund for the purbanks as an emergency measure chases. to help the banks reduce losses arising from a sharp fail in fined to 6.1 per cent 10-year Y7000n. secondary market prices of National bonds issued towards Second National bonds, ministry the end of 1978. The purchase other 6 officials said yesterday.

Purchases would be made through swap contracts, under and Y0.08 above the issue price which banks will buy back of 99.5 per cent. a year. The Ministry would Finance Ministry to defer list-

TOKYO-The Finance Mini- use cash from its Trust Fund The purchases would be con-

> price would be the so-called theoretical price, between Y0.02 Japanese banks had asked the

Exchange of the bonds, of which Y1,900bn were issued, but the Ministry decided to list from July 1, after buying back the

Secondary market prices of other 6.1 per cent national bonds issued earlier in 1978 and already listed on the stock exchange have fallen to a record low of 86.07 per cent, or a yield

ATL sells its U.S. division

ATL, the Australian electronics... and totalisator group, yesterday upset Smorgon Corporation's takeover hopes with the announcement that the group had sold its successful U.S. operating division for A\$14.5m — A\$500.000 more than the current offer.

The U.S. subsidiary, Autotote, will go to an undisclosed American company recently formed by investor clients of a Boston merchant bank. ATL directors said that further details would be given at an extra-ordinary meeting of shareholders to be called to approve the deal.

The directors would say yester-day only that the sale price was U.S.\$16m, with U.S.\$12m payable in cash on completion and the rest by the issue of 6 per cent convertible preference stock.

The transaction means that the present convertible preference stock.

The transaction means that the privately-owned Smorgon, will have to reconsider its strategy, after buying a 17 per cent stake in the company before launching a A\$1.45 a share bid for the ordinary capital and A\$1.92 for each preference share on Tuesday.

Mr. J. R. Palmer, general manager, said that simultaneously with the sale, agreement would entered into between ATL, Autotote and the buyer to pro-vide for full cross-representation and exchange of wagering system technology and products for a period of five years.

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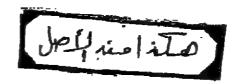
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THE UNWINDING of a large forward position in sterling was the only major factor in very quiet foreign exchange trading yesterday. The pound opened at \$2 1045-2.1055 and rose to a high point of \$2.1055-2.1065 in early husiness. After settling at point of \$2.1055.2.1065 in early business. After settling at \$2.1030-2.1040 for most of the morning, sterling lost 1 cent to \$2.0930-2.0940 at lunch time, as the commercial order to sell sterling and buy D-marks hit the market. This was helicided to bave come from Paris, but once out of the way trading resumed a out of the way trading resumed a very quiet pattern once more, with the West German market closed for a public holiday. The pound closed at \$2.0953-2.0953, a fall of \$2 points on the day.

On Bank of England figures,

sterling's trade-weighted index fell to 68.2 from 68.6, after standing at 68.5 at noon and in

early trading.

The dollar's index, as calculated by the Bank of England, was unchanged at S6.S. The U.S. currency showed little movement against most other major currencies, easing to DM 1,9075 from DM 1,9095 the dollar declined to FFr 4.4100 from FFr 4.4175, and to Y220.123 Y220.20 against the Japanese yon.

BRUSSELS.—The Belgian francimproved slightly against the D-mark with the help of the Belgian Central Bank, which sold around DM 30m in the market. The franc was fixed at BFr 16.055 still close to its floor level of BFr 16.074. It was also slightly firmer against the dollar and firmer against the dollar and sterling but eased in terms of the Italian lira and French franc.

below its best level against the lira, but still reached a record high. The pound was quoted at L1,789, compared with L1,787.71 on Wednesday and a lop rate during the morning of L1.794.9. Elsewhere the dollar continued to show a weaker tendency and was fixed at L852.45 against L853.05, while EMS currencies were fixed slightly higher overall against the line. against the lira.

against the yen in moderate trading to finish at Y220.725 compared with Y219.875 on Wednesday, still buoyed by sharp increases in Japan's wholesale DM 1,9075 from DM 1,3000 against the D-mark, and to prices and imports. Specially swift 1,7270 from SwFr 1,7300 over a possible worsening in Japan's trade balance may also contributed to the U.S. In terms of the Swiss franc.

In terms of the French franc, have contributed to the U.S.

the dollar declined to FFr 4.4100 unit's firmer trend. At one point work of the U.S. the dollar reached Y221.20 before easing back slightly to its closing level.

EMS	EUROPEAN	CURRENCY	UNIT	RATES

	FCU central rates	Currency amounts against ECU June 14	chango from central rato	*, change adjusted for divergence	Divergence
Beiglen Franc Denish Krone German D.Merk French Franc Dutch Guilder Ivieh Punt Italien Lira	39,4582 7,08592 2,51064 6,79831 2,72077 0,682638 1148,16	40 5441 7 28458 2.62412 6.63248 2 76343 0.659378 1127.68	+2.75 +2.50 +0.55 +0.76 +1.75 +1.02 -1.78	+1.74 +1.79 -0.47 -0.26 +0.73	±1.53 ±1.635 ±1.1325 ±1.35 ±1.5076 ±1.665 ±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

IME	POUND	320 i	AND	FUN	MAL
					Three
Dav	'R			7.0	111100

	Day's			•,	Three	
June 14	spread	Close	One month	p.a.	months	P.E.
u.S.	2,0000-2,10回	2.0953-2.0963	0.68-0.58c pm	3.61	1,72-1,62 pm	3.19
Canada	2.4550-2.4675	2,4565-2,4580	0.67-0.57c pm	3.03	1.59-1.49 pm	2.51
NathInd.	4.37-4.42	4.37°p-4.36°g	2'7-1'26 pm	5.47	\$%-4% pm	4.90
Belgium	64.10-64.60	64,13-64.Z3	30-20c pm		66-58 pm	3.80
Denmark	11.52-11.61	11.575-11.535	31-1-ore pm	2.60	41 ₂ -21 ₂ pm	1.21
Ireland	1.0800-1.0670	1.0612-1.0622	7-17p dis		43-53 dis	-2.19
W. Ger.	3.99-4.03	3.994 -4.004	314-214pf pm	8.26	77s-67s pm	7.38
Portugal	104.00-105.00	104.20-104.50	30-90e dis		125-225 dis	-6.71
Spain	138.20-139.25	138,25-138-50	35c pm-15c dis		50 pm-par	0.72
Italy	1.785-1.797	1,786-1,7874,	3½-1%lire pm		54-34 pm	0.95
Norway	10.98-10.95	10.897g-10.907g	5-3 pm	4.40	141 ₄ -121 ₄ pm	4.88
France	9.234-9.31	3.234-9.244	3¹Ž¹;c pm	3.90	74-64 pm	3.30
Sweden	9.17-9 24	9.18-9.19	5-Jore pm	5.23	101-81 pm	4.25
Јарап	458-465	460%-461%	3.65-3.40y pm	9.17	5.10-5.85 pm	7.78
Austria	29.40-29.70	21/0-23/49	25-15gro pm	8.15	\$5-45 pm	6.79
Switz	3.61-3.6512	3.61 ¹ 2-3.62 ¹ 2	41,-31,c pm	12.43	11-10 pm	11.60

Reignan rate is for convertible francs. Financial franc 66.30-66.40. Six-month forward dollar 2.77-2.70c pm; 12-month 4.80-4.65c pm. THE DOLLAR SPOT AND FORWARD

June 74	Day's	Close	One month	°:, p.a.	Three	% p.a.
UKI	2.0930-2.1065	2.0963-2.0963	0.68-Q.58c pm	3.61	1.72-1.62 pm	3.19
Irelandt	1.9720-1.9770	1.9720-1.9770	0 90-0,70e pm	4.86	2.35-2.15 am	4.56
Canedat	85.27-85.31	85.27-85.30	0.05-0.03c pm	0.56	0.16-0.13 pm	0.68
NathInd	2.0915-2.0937	2.0915-2.0935	0.43-0.33c pm		1.00-0.90 pm	
Belgium	30.611-30.661-	30.611-30.63	3-2c pm	0.98	5-3 pm	0.52
Denmark	5.4895-5.5105	5.4995-5.5020	C 30-0.20pre dia		2.25-2.75dis	-1.82
W. Ger.	1.9090-1.9100	1,9090-1,9100	0 78-0.68pf pm	4.59	2.10-2.00 pm	4.29
Portugal	49.72-49.86	49.72-49.79	35-45c dis	-9.64	90-130 dis	-8.84
Spein	66.00-66.05	66.00-66.04	13-23c dis	-3.27	40-50 dis	-2.73
Italy	852.35-852.70	852,40-852,70	0 70-1,20tire dia		4.00-4.75dig	-2.05
Norway	5, 1980-5, 1980	5, 1965-5, 1980	0.60-0.20are pm		7,50-1.10 pm	1.00
France	4,4100-4,4200	4,4100-4,4125	0.10c dis-par		0.20-0.40dis	-0.27
Sweden	4.3810-4.3830	4 3810-4.3825	0.45-0,25gro pm		1.20-1.00 pm	
Japan	220.00-220.35	220.00-220.20	1.00-0.90y pm	5.18	2.55-2.45 pm	4.54
Austria	n/a	n/a	n/a `		n/a `	_
Switz.	1.7265-1.7299	1.7265-1.7275	1.29-7.24c pm	8.79	3.67-3.62 pm	8.44
t UK. In	aland and Can	ada are quote	d in U.S. curre	ncy.	Forward pres	RIUMS
			liar and not to		dividual car	твпсу.

CURR	EN	Y RA	TES	CURRENCY MOVEMENT				
		Special Drawing Rights	European Currency Unit	June 14	Bank of England Index	Morgan Guarant Changes		
Sterling			0.626804	Sterling		-36.2		
U.S. S	91 ₂ '	1.26890	1.32176	U.S. dellar		-6.8		
Canadian S	114	1.48753	1.55001	Canadian dollar	B1.0	1 -16.9		
Austria Sch.,	34	17.8698	18.6168	Austrian schilling.,	144.6	+18.4		
Belgian F		38.9362		Belgian franc	112.6	+12.8		
Danish K		6,99481	7.28348	Danish kroner	112.5	+1.9		
D mark			2.52559	Doutsche Mark	149.4	+41.6		
Builder	7		2.76734	Swiss franc		+80.2		
French Fr	912		5.84939	Guilder		+18.4		
Lira	1012	1082.37	1127.45	French frang	9B.2	-7.3		
Yen		279.158		Lifa ,		48.9		
Nrwgn, K			6.87533	Yen	131.8	; <u>+30.5</u>		
Spanish Pes			87.3674	Based on trade we	ighted chi	inges from		
Swedish Kr	Glg :	5.56032	5.79361	Washington agreen	ient Dece	mber, 1971		
Bauleo Eu	9 .	0 10605	□ 9 9993£	10 of Eland	-d 10V			

OTHER MARKETS

Juna 14	£	5		Hota Raise
Argentina Pese	2690-2710	1263-1293	Austria	29-30
Australia Dollar			Belgium	6614.673
Brazil Cruzeiro	55.16-54.16		Denmark	11.53-11.68
Finland Markka	8.39-8.41	3.9940 3.9960	France	8.22.4.11
Greek Drachma.	77.721-79.595	37.10-38.00	Germany	3.95.4.05
Hong Kong Dollar	10.7560-10.7560	5.1220-5.1250	Italy	1,760-1,300
Iran Rial	152-160	7212-751a	Japan	457.467
Kuwait Dinar (KD	0.581-0.591	0.2785-0.2786	Netherlands	4.35.4.45
Luxembourg Fra.		80.62-30.64		10 87 10.97
Malaysia Dollar			Portuga	101-106
New Zealand Dir.	1 9975 9 0024	0.9530-0.9555	Spain	1361a-1391a
Saudi Arab. Riyal			Switzerland	
Singapora Dollar.			United States	2.10-2.11
				411g-431g
6th. African Rand	1.70-1.77	D.0330-V.0440	Yugoslavia	- F1 13

Rate given for Argentine is free rate.

EXCHANGE CROSS RATES

П											
i	June 14	Poundaterling	U.S. Dellar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	italian Lira	Canada Doll	arjSeigian Franc
!	Pound Sterling U.S. Dollar	0.477	2.096 1.	3.998 1.907	481.3 220.1	9.243 4.410	3.620 1.727	4.884 2.092	2787. 852.5	9.457 1.172	54.18 \$0.62
	Deutschemark Japaness Yen 1,000	0.250 2.168	0.624 4.544	1. 8.567	115.4 1000.	2.312 20.04	0.906 7.848	1.097 9.504	447.0 8874.	0.816 5.327	15.06 189.1
1	French Franc 10 Swiss Franc	1.08% 0.275	2.268 0.579	4.325 1.104	499.1 127.4	10. 2.565	3.917 1.	4.748 1.211	1985. 498.6	2.659 0.679	69.44 17.73
	Dutch Guilder Itanas Lina 1.000	0.228 0.560	0.478 1.173	0.912 2.237	105.2 258.2	9.108 5.175	0.826 2.026	2.458	407.6 2000.	0.561 1.875	14.64 35.99
	Canedian Dollar Belgian Franc 160	0.407	0.853 3.266	1.627 6.339	187.7 718.7	5.761 14.40	1.478 5.640	1.754 6.830	727.1 2784.	3.529	26.12 100.

EURO-CURRENCY INTEREST RATES

The loilawing naminal rates were quoted for London dollar certificates of de posit : one month 10.25-10.35 per cent; three months 10.20-10.30 per cent; an months 10.15-10.25 per cent; one year 9.85-9.95 per cent.

June 14	Starling	u.S. Dollar	Ganadian Bollar	Dutch Gulider	Swigg Franc	West German Mark	French Franc	Italian Lira	Asian S	Japanese Yen
TShort term	1412-1612 1412-1612 1414-1451 1318-1312 1238-13	101a 1035 1011 101g 1012 101g 1012 1013 1012 1013 9, -1013	10 1011-1012 10:5-1113 1031-11 1012-1051 104g-10-8	756-776 755-775 8-814 536-846 616-914 578-914	78-1 73-1 149-154 116-116 256-24 278-3	58-619 58-519 58-519 58-519 519-569 578-7	8-814 634-9 10-1014 1056-1078 1054-11 1034-11	9-10 1014-1114 1112-1212 12-13 1234-1334 13-14	10,10,10,1 10,10,10,1 10,10,10,1 10,10,10,1 10,10,1	14-5 /6 534-5 434-5 /6 612-6 612-618

tively.

cent and \$1-85 per cent respec-tively. Six-month money

bills maturing outside hands, and Government disburse-

rates collapsed to 11 per cent where they held for a while before tailing away to 3 per cent, with closing balances taken anywhere between 5 per cent and

nominal in some cases.

INTERNATIONAL MONEY MARKET

Belgian interest rates rise

Interest rates continued to cent against 94-94 per cent. The cent with one- and three-month rise yesterday in Belgium, as six-month rate was quoted at money unchanged at 82-84 per the authorities strove to relieve some of the pressure on the franc within the EMS. Following Wednesday's Bank Rate rise, the Central Bank yesterday increased the rates on short-term Treasury certificates by I percent, One-month paper now stands at 9.25 per cent, two-mouth at 9.5 per cent and three-month bills at 9.75 per cent. Treasury certificate short-term rates were last increased on

June 5 by 4 per cent.

Deposit rates for the Belgian franc (commercial) were higher yesterday, reflecting Wednes-day's increase in the Bank Rate to 9 per cent. One-month deposits rose to 94.91 per cent holiday.

from 8{1-847 per cent with PARIS — Day-to-day money 111 per cent, with overnight three-month deposits at 91.93 per rose to 74 per cent from 73 per business dealt at 104 per cent.

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979) The aftermath of Tuesday's

Budget left the UK money narket in some turmoil yesterday, as buge technical factors led to a certain amount

of distortion in the rates quoted. The supply of credit in the

market was also largely influenced by the exceptionally

large amounts swallowed up after

the exhaustion of the Treasury

The Bank of England gave assistance on an exceptionally

large scale, the first time on this level since the revision of the

authorities' descriptions on the

Confused trading

98.9% per cent, up from 914.9% per cent while 12-month deposits

rose to 91-92 per cent also from 91-92 per cent previously.

HAMBURG—Call money was unchanged at 5.50-5.55 per cent but one-month money eased to 5.80-8.00 per cent from 5.95-6.05 per cent. The three-month rate was also down at 6.50-8.55 per cent against 6.55-6.60 per cent. with six-month quoted at 6.80-7.00 per cent compared with 6.80-7.00 per cent previously. On the per cent previously. On the other hand 12-month money rose to 7.40-7.50 per cent from 7.20-7.40 per cent. Wednesday's rates were as in Frankfurt, which was closed yesterday for a public

of which a moderate amount were hought indirectly, and a

moderate amount of these are for resule at a fixed future date.

The authorities also bought a small amount of local authority bills, some of which for resale at one fixed future time. This

was in addition to large purchases of eligible bank bills

all of which are on a purchase

and resale basis at a fixed future

Apart from the settlement of gilt sales, the market was also

faced with the unwinding of a sale and repurchase agreement of a small amount of bills (mainly Treasury bills) and

banks brought forward balances

GOLD

trading

Gold rose \$2 to close at \$2761-279! in very quiet trading. It opened at \$278-279; and was fixed at \$278.80 in the morning, and \$279.00 in the afternoon. The krugerrand's premium over its gold price was lower for domestic delivery than in the

respectively. HONG KONG—Conditions in	June 14 June 13
yesterday's money market showed a good flow of funds initially, with supplies remain- ing adequate for the rest of the day. Call money was quoted at 111 per cent, with overnight business dealt at 101 per cent.	Gold Buillian fine ounce: Close \$278\\\279\\\\\$276\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
	Gold Coins, domestically Krugerrand, £2851;-2891;-3285-287 -£136;-138;- £134;-136; New 5721;-741; *8713;-753; Sovereigns £341;-351;- £24-35; Old 5871;-891; \$88-90 Sovereigns £415; 455;- £415;-425;
	Cold Come Interest to It

sovereigns :45: 244; 159; 159, 250 Eagles ... \$158.165 \$158.19 The belp comprised extremely a small way below target. On large purchases of Treasury bills, the other hand there was a small decrease in the note circulation, a small net amount of Treasury

ments exceeded rev transfers to the Exchequer In the interbank market overnight loans opened at 16-16 international market. The domestic premium widened to 3.09 per cent from 2.93 per cent. per cent, and touched 17-18 per cent before falling back to 14-15 per cent, where a lot of business was seen. Early in the afternoon, cent from 2.93 per cent,

In Paris the 121-kilo bar was fixed at FFr 41,500 per kilo (\$292.33 per ounce) compared with FFr 41,680 (\$293.36) in the morning and FFr 41,300 (\$290.19) on Wednesday afternoon.

scale of assistance at the end of April LONDON MONEY RATES

									_	
June 14 1979	Sterling Certificate of deposit	interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits		Discount market deposit		Eligible . Sank ! Bills &	Fine Trade Bills #
vernight		3-18				11	212.14			
days notice.	;	1 -	1359.14%		_	-		-	_	_
Mays Of		. –	-	- 1	_	! -	_	. –	- 1	_
		14 14 1,	13% 14%		143 _e	1472	1312-14	_	- 1	_
ne month	14: 157a	14-144	14-1462	151, 147,	14 5	1	1372	134 135	13:14	14
vo months	1415;	1 2020 2014	_	1459-1456	141	!	1531	1313.	13-1-13	14
- months.	13 : 13:9	135g-133s	131: 14	1 141, 14	1412	١ ـ	13 m.15 lo	13 13	1312-1856	14
75 ,		15.1313	124, 1342	1314-127a l	1312	l			121:	1311
	13-[24:	12sg 127s		1513-125c	161	{	í _	í i	}	
·	127, 12,	1212-125	131: 13	15.125	15	! –	! _		_ !	_
	- '		1212-12%	- :		i —			- !	_

rity and finance houses seven days' notice others seven days' fixed. *Long-term local authority mortgage three years 12½-12½ per cent; four years 12½-12½ per cent. OBank bill rates ing rates for prime paper. Buying rate for lour-month bank bills 13½ per cent; four-months trade bills), salling rate for one-month Treasury bills 131₃-135₃, per cent; two-months 131-131₃ per cent; three months percaimate selling rate for one-month bank bills 172₄-1313₃, per cent; two month 132₅ per cent; and three-ent, enc-month trade bills 131₄ per cent; two-month 132₅ per cent; and three-month 131₅ per cent; two-month 131₅ per cent; and three-month 131₅ per cent, uses Basic Rates (published by the Finance Houses Association) 12 per cent from June 1, 1379, aposit Rates for small sums at seven days' notice 111-12 per cent. Clearing Bank Rates for lending freesury Bills: Average tender rates of discount 11 4209 per cent.

6 per cent.
Rates in the table below are MONEY RATES

NEW YORK	
Prime Baje Fed Funds Treasury Bills (13-week) Treasury Bills (25-week)	11.5-11. 10.3125 8.96 8.99
GERMANY	
Overnight Rate Overnight Rate One month Three months Six months	4 - 5.525 5.90 6,525 6.90
FRANCE	
Oiscount Rare	9.5 7.875 8.1875 8.5625 8.9375
JAPAN	
Discount Rate	4.25 5.1878 5.75

ITT Antilles N.V.

(Incorporated in the Netherlands Antilles)

U.S. \$75,000,000 9½% Guaranteed Bonds due 1989

Guaranteed as to principal, premium (if any) and interest by

International Standard **Electric Corporation**

(Incorporated in the State of Delaware, U.S.A.)

Swiss Bank Corporation (Luxembourg) Limited

Algemene Bank Nederland N.V.

Banque Bruxeiles Lambert S.A.

Banque de Paris et des Pays-Bas

Deutsche Bank

European Banking Company Limited

Kuhn Loeb Lehman Brothers International

Lazard Frères & Co.

Amsterdam-Rotterdam Bank N.V. Banque Nationale de Paris Caisse des Dépôts et Consignations Commerzbank Aktiengesellschaft Crédit Lyonnais Credit Suisse First Boston Limited Dresdner Bank Aktiengesellschaft

Kredjetbank S.A. Luxembourgeoise

Orlon Bank Limited Skandinaviska Enskilda Banken Société Générale de Banque S.A. Société Générale S. G. Warburg & Co.: Ltd. Westdeutsche Landesbank Girozentrale Wood Gundy Limited

Nationale-Nederlanden

international insurance Group

Good results and continued growth in 1978

The Group's 1978 Results and Dividend

—Net profit increased by 21 % to DFIs 248.3 million

-Net profit per share rose to DFIs 18.09 (1977: DFIs 16.35*)

-Dividend per share increased 16% to DFIs 5.50 (1977: DFIs 4.75*)

*Adjusted for the Rights Issue in 1978

Notwithstanding the increased value of the Dutch guilder revenue rose 9%. International business accounted for 36% of total revenue. Improved results from non-life business contributed to healthy profit growth, Funds available for investment were at record level. Share issue and good investment performance boosted net assets by 26 %.

REVENUE	1978	1978	1977
	(in £'000,000)	(in DF/s' (700,000)
Premium Income: life	526	2,101	1,984
non-life	454	1,812	1,720
professional reinsurance	134	535	430
Income from investments and other activities	352	1,406	1,243
·	. 1,466	5,854	5,377
Gross Profit	173	692	586
Profit participation life policyholders.	85	339	292
Taxation & minorities	26	105	89
Net Profit	62	248	205
Exceptional expenditure	1	5	4
Exceptional expenditure	. -	· . · · · ·	5
Available for appropriation	61	243	206
Dividend	19	75	60
Retained	42	168	146
Total assets	5,623	22,449	19,783
Insurance funds	4,121	16,451	14.957
Net assets	558	2,194	1,735
(rate of exchange at 31 December 1978 £1=DFIs 3.992)			-,

In the United Kingdom:

The Orion Insurance Company Limited

The 1978 accounts show: Premium income £25 million: Investment income £5 million: Profit before tax £4 million.

London market marine, aviation and non-marine accounts produced satisfactory results but a loss was incurred in the home fire, accident and motor accounts. Investment income increased by 19% over 1977 on a comparable basis.

The Life Association of Scotland Limited reports:

Premium revenue in 1978 increased by over 37% and Investment income by about 25%, At 31st December 1978 long-term funds exceeded £100 million for the first time. Total surplus of just over £5 million is double that of 3 years ago.

Merchant Investors Assurance Company Limited



Continuing its rapid rate of growth in the U.K. unit linked life and pensions sector, Merchant Investors premium income in 1978 at £20.6 million showed an increase of 64% over the previous year. New sales of regular premiums increased by 85% and new single premiums by 68%.

Nationale-Nederlanden operates on an international scale with branches or associated companies in the Netherlands, the United Kingdom, the Republic of Ireland, Belgium, Norway, Spain, Canada, the United States of America, Surinam, the Netherlands Antilles, South Africa, Australia, Singapore, Malaysia, Indonesia, the Philippines, and through general agencies in Denmark, Saudi Arabia, the United Arab Emirates, Oman and in other countries.

For more information on our 1978 results write for our Annual Report in English to The Secretary, The Orion Insurance For more information on our 1970 results white parties of American Report of The Secretary, The Company Ltd., 70-72 King William Street, London EC4N 7BT. The Secretary, The Life Association of Scotland Limited, 10 George Street, Edinburgh EH2 2YH. The Secretary, Merchant Investors Assurance Company Limited, Leon House, 12th Floor, 233 High Street, Croydon CR9 1LP or International Division, Nationale-Nederlanden, 15, Prinses Beatrixlaan, 2595 AK The Hague, the Netherlands.

Indices

Wall St. reacts 3.2 in active early dealings

PREMIUM

S2.60 to £1 — 38[% (41%)

Effective \$2.0958 — 11[% (14[%)

WEDNESDAY'S later reactionary trend on Wall Street continued in active early dealines yesterday, but the stock market was above the morning's worst at mid-session.

The Dow Jones Industrial Average, after receding to 836.88 at 11 am, was a net 3.21 down at 838.96 at 1 pm. The NYSE All

Closing prices and market reports were not available for this edition.

Common Index recorded a loss of 29 cents at \$57.66, after touching \$57.56, while declines outscored rising issues at midsession by a nine-to-four margin. Trading volume came to 25.24m shares, compared with the previous day's 1 pm figure at 27.40m.

Analysts said investors were discouraged by negative news concerning two market leaders,

There was also concern about the outlook for the economy and the possibility of further OPEC price increases being agreed at the approaching oil ministers'

disappointed that Tuesday's rally on a Prime Rate cut by Morgan

NEW YORK

Abbott Labs 3413 AM International 1534 Adobe Oil & Gas. 2736 Aetna Life A Ga. 3213 Air Products ... 2938 Alcan Aluminium 36/3

Asarco...... 181: Ashland Oil 425; At. Richfield 625;

Brit. Pet ADR... 341g Brockway Glass. 165g Brunswick..... 155g Bucyrus Erie 221g

Carrier & Goner

Chrysler Cinc. Milacron....

Citicorp.....CiticsService.....

Columbia Gas.... 204 Columbia Pict... 21 Com-insCo.of Am 1813

Compugraphic ... ComputerScienc

Certainteed...... 16is

Alcoa.... Alleg Ludium, Allegheny Power Allied Chemical. Allied Stores

Guaranty Trust faded so Active LTV climbed 1½ to with a rise of 19.9 to 184.00 on quickly. Only a few banks followed Morgan Guaranty's jumped 4½ to \$46\cdot before a move and the stock market turned easter on Wednesday after a firm start.

1831 topped the actives last Value large corrected to 19.9 to 184.00 on Y4.500, Nippen Oil Y50 to Y757. In Montreal, Banks lost 2.20 index.

235.96.

THE AMERICAN S.E. Market Value large corrected to 19.9 to 184.00 on Y4.500, Nippen Oil Y50 to Y757. Mitusi Mining Y43 to Y641 and Toa Nearyo Y32 to Y838.

However, a number of stock prices showed some recovery

after a firm start.

1831 topped the actives list and slipped; more to \$741. It lost over two points on Wednesday when it said a higher

less tavourable earnings comparisons.
General Motors lost a further to 559. The company reported lower early June car sales the previous day.
Oil stocks relinquished some

ground. The House Ways and Means Committee has voted a 70 per cent windfall profits tax, To per cent windfall profits tax, and it has turned down an offer up from the 50 per cent requested by President Carter.

Among the actives, Exxon cased ! to 850. Amerada Hess ! to 841; Continental Oil ! to 836; and Atlantic Richfield ! to 862!.

Eastern Airlines shed ! to 88!.

A Civil Aeronautics Board has recommended to said and all and the statement of the said it has turned down an offer its Canadian Homestead stake.

Amex volume leader Dynamics of the said it has turned down an offer its Canadian Homestead stake.

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Amex volume leader Dynamics of the said it has turned down an offer its Canadian Homestead stake.

hearing judge has recommended against an Eastern take-over of

Johns Manville ...
Johnson Johnson
Johnson Control
Joy Manufactury
K. Mart...
Kaiser Alumini'm

2378 7234 2818

Liggett Group ... 38 | 3812 |
Litty (Eli)... 5612 | 5615 |
Litton Industries 2914 | 2918 |
Look Star Ind'sk! 2314 | 2314 |
Lone Star Ind'sk! 2314 | 2314 |
Louisiana Land ... 2912 |
Lubrizol ... 4412 | 4414 |
Lucky Stores ... 1614 | 1653 |
Macy R.H ... 3752 | 3756 |
March Macy R.H ... 3752 | 3756 |
March Moleand ... 1514 | 3216 |
Marshal Field ... 1712 | 1736 |
Marshal Field ... 1712 | 1736 |
March Moleand ... 6114 | 6018 |

Nat. Distillers..... 21% Nat. Service ind... 1634 National Steel.... 5234 National Steel.... 4434

Stock

F.M.C. 251; 251g
Ford Motor 451; 453g
Foremost Mck. 251; 453g
Foremost Mck. 251; 371;
Franklin Mint. 566 85;
Fraeport Mineral 471; 471;
Fruehauf. 513g 511g
Fuqua inde 1114 1112

G.A.F. ... 1112 1178
Gannett. ... 44 48
Gelr 2 ... 2814 2758
Ge ... Amor. inv. 103a 1114
G. a.T.X. ... 2514 28
Gen. Dynamics. ... 5012 3034
Gen. Electric. ... 4914 4914
Gen. Foods ... 2974 30
General Milis ... 2514
General Milis ... 2514
General Motors. ... 6018
General Motors. ... 6018

General Motors. 601s
Gen. Pub Util 10
Gen. Signal 531s
Gen. Tol. Elect. 273s
Gen. Tre. 2414
Genesco 40s
Georgia Pacific. 273s
Geosource. 344s
Getty Oil. 443s

Hewlett Packard 8513 Holiday Inns...... 20 Homestake 3213 Honeywell 5973

ingersoli Rand . Inland Steel . .. Insilco

inco
Inti. Paper
Inti. Rectifier
Inti. Tel & Tel.
Iowa Beef
IU International

511₂ 381₄ 181₄

IBM topped the actives list value index retreated to 194.76, active Toronto issue on 63,709 and slipped; more to \$74\]. It lost over two points on Wednesday when it said a higher lease-to-sale ratio could result in less favourable earnings around the most value index retreated to 194.76, active Toronto issue on 63,709 shares, fell 1\(\frac{1}{2}\) to C\$33\(\frac{2}{2}\), Hudson's Business was again heavy. Bay Oil 1\(\frac{1}{2}\) to C\$70\(\frac{1}{2}\) and Canadian Superior C\$1 to C\$136.

Aprive 1 modely foil 1\(\frac{1}{2}\) to C\$22\(\frac{2}{2}\) Seagram, which has reported

Active Amdahl fell 11 to \$232. still upset by expectations of just a break-even second quarter.

Dome Petroleum slipped ? to S42). Canadian Homestead Oil 3 to \$182 and Intercity Gas 1 to \$133. On Wednesday, Intercity said it has turned down an offer

Canada

A broad decline in Oil issues of markets mainly lower yeserday morning in a large although reduced turnover.

Tokyo economic sommer sommer and the stipped 19.77 to 6,100.54 and the Tokyo SE index 0.30 to 439.58. A broad decline in On issues
National Arrilnes. National put
on 1 to \$36, but Pan-American
World Airways, another National
Suitor, lost 1 to \$6.
Charter Company reacted 32
to \$50, and the Warrants 22 to
World Airways and the Warrants 22 to
While the Oils and Gas index,
While the Oils and Gas index,
While the Oils and Gas index,
Recently-selected Oils and
While the Oils and Gas index,
Recently-selected Oils and
While the Oils and Gas index,
Recently-selected Oils and Charter Company reacted of the Warrants 2; to while the Oils and Gas index. Recently-selected Ulls and S37; in active dealings. Charter at 2.703.4, gave up 41.7 of its large-capital issues declined, rose sharply earlier in the week recent sharp rise. Metals and while Shippings, after a firmer start, were also lower on the day but the Golds sector contrasted

Scott Paper..... Scovil Mrg...... Scovil Mrg......

Sez Containers... 1812

| 1812 | 1813 | 1814 | 1815 | 1814 | 1815 | 1814 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 | 1815 |

Tesor etrisum 173 1575 Texaco 254 254 253 Texaco 227 2513

Texas inst'm
Texas oli & Gas...
Texas Oli & Gas...
Texas Utilities...
Times inc......

Union Carbide.... 3714

White Con- Ind ..., 36.4

Seagram, which has reported earnings, shed C\$1 to Pop Shoppes lost 25 cents to CS3.45 on omiting its June dividend.

Mines added ! at CS45 and Campbell Red Lake | at C\$211. Tokyo

Stocks on the First Market section displayed an easier bias in another thin trade yesterday. as investors remained generally reserved ahead of this month's Tokyo economic summit and the

on profit-taking.

Abribi Paper..... 1818 : 19
Agnico Eagle..... 714 | 714
Alcan Aluminium 4818 | 4814
Algona Steel.... 30 30
Abestos........ 4812 | 46
Bank Montreal... 8218 | 2214

Com.Stk

Indal...
/niand Nat. Gas...
Int. Pips Line...
Kaiser Resource...
Lobiaw Com. '#'
McMill n Bloed' I.
Marks & Spender MasseyFergusen,
McIntyre...
Moore Cerpn...
Mountain State R
Noranda Mine...
Noran Energy...
Nth. Telecom...
Numsc O' & Gas.
CakwoodPetro'p'
PacificCoppar M.

24 | 241s | 15s | 25t | 241s | 241s | 241s | 241s | 241s | 25t | 241s |

Bank Montreal... 327₈
Bank NovaScotia 221₄
Bell Telephone... 225₆
Bow Valley Ind... 50

CANADA

prices showed some recovery near the close on market rumours that the Tokyo SE will relax controls on margin trading requirements to 60 per cent from Репаттоуа. the present 70 per cent. After the market close, stock exchange officials announced that the Markets were closed yesterday in observance of the Corpus Christi holiday. margin requirement ratio will be lowered to 60 per cent with

lowered to 60 per cent with effect from today.

Export-orientated Light Electricals, Motors and Cameras generally strengthened against the general trend, with TDK Electronic rising Y40 to Y1,760, Matsushita Electrical Y16 to Y701, Rouda Motors Y15 to Y561.

Toyata Mater V14 to Y910 and Toyota Motor Y14 to Y910 and Canon Y5 to Y540.

The Second market section was predominantly firmer again in active trading on speculative buying, with the stock index advancing 9.92 to 778.64. Volume 43m shares (48m).

Bourse prices closed on an irregular note with declines holding a slight majority after slow trading, halting the recent rising market trend.

Brokers sald news

France's current account payments surplus shrank in the first quarter of 1979 to FFr 1.86bn from a revised FFr 6.20bn in the previous quarter had not really affected investor sentiment. Profit-taking on the gains of the previous two sessions and the negative impact of a 1 of a percentage point increase in the Call Money Rate were more responsible for the market's hesitancy, they added.

Banks, Stores and Chemicals

were mainly easier, but Port-folios, Rubbers and Electricals were firmer-inclined. Michelin "B" receded FFr S to FFr 952 despite announcing increased net consolidated 1878

profits. Others to lose ground included Moet Hennessey, Poclain, Legrand, Cetelem, General Occidentale, Saunier Duval, Perrier, Paris-France, Thomsou-Ericsson, Creusot-Loire, Institut

June 13

AMSTERDAM

Finansbanken

Bryggerier

For Papir

For Papir

For Papir

For Papir

For Papir

For Rabei

G Nthn H (Kr90)

Nord Kabei

Novolnd stries B

Ollefabrik

Frivatbank

Provinsbank

Soph Berensen

Superios

Hong Kong After further declining on general selling as the dollar premium moved lower, the

cents to 81 cents.

Germany.

Australia

market rallied on late local buy-ing, leaving the Hang Seng Index only 0.21 easier on the day at 540.79. Johannesburg

After the recent reactionary treud, Gold shares met renewed support and moved ahead in line with firmer Bullion prices.

NOTES: Oversees prices shown below exclude 9 premium. Beigign dividende are after withholding tax. g Cents, d Dividend after pending s Cants. s Dividend after pending rights and/or scrip issue. s Per share. I France. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n France including United div. new special payment. I indicated div. u Unofficial trading. v Minority holders only. y Merger pending. *Asked. † Bid. § Traded. † Sefier. z Assumed. z Ex rights. z Ex dividend. za Ex scrip issue. za Ex dividend. za Ex scrip issue. za Ex dividend. Pts 500 denom. unless otherwise

A DKr 100 denom, unless otherwise stated.

© SWF: 500 denom. and Bearer shares unless otherwise stated. 1 Y80 denom. Unless otherwise stated. 5 Price at time of suspension. a Florins. 5 Schillings. GERMANY . TOKYO 1

Prices + or Div. Yk ACMIL (25 cents)
Acrow Australia
AMATIL \$1
Ampel Exploration
Ampel Patroleum
Assoc. Minerale Assoc. Minerais

Assoc. Pulp Paper \$

Audimon \$5 cants.....

Aust. Opnoblidated inde.

Aust. National industries

Aust. National industries

Aust. Of & Gas

Blue Metal Ind....

Blue Metal Ind..... Borgainville Copper Brambles Industries Costain Australia Duniop Rubber (50 cent) ESCOR

> Toray Toshiba Corp Toyota Motor BRUSSELS/LUXEMBOURG

225 + 20 A2.18 170 +4 40 +10 -

SWITZERLAND @ +50 110 +50 21 +5 28.8 -10 485.8 -10 485.8 -10 26 -4 26 4 -15 12

MILAN ANIC Sastogi. ... Do. Priv.

NEW YORK - NOW JOHES June June June June June High Low Gaz. Noticeable higher at the end business, however, were Indus, Rue Imperiale, ◆ industr'is 842,17,845,29 857,56 655.15 836.87 835,50 678.72
 e industrie 842.17,846.29 857.56, 856.15 888.57 935.60 (10/3)
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 e industrie 842.17,846.29 (2/12)
 e industrie 842.17 Comptoirs Modernes, Kleber, Tales de Luxenac, Thomson-Brandt, Vallourec, BP and

Trading vol 48,899 45,590 28,290 51,540 43.530 40,100 — + Day's high 850.31 low 840.00

June 8 | June 1 | May 25 Year ago (approx) Ind. dlv. yield \$ 5.07 | 6.16 | 6.01 | 5.43 STANDARD AND POORS

Stocks again closed on a mixed note yesterday, but with recent bright spots, CSR and BHP. reacting on some selling pressure. Underlying sentiment was unsettled by a new round of interest rate increases for local and semi-Government June June June June June June June 13 12 11 8 7 6 High Low High Low lindust's ... 115.81 114.88 115.41 112.87 115.25 112.72 116.69 107.08 154.64 5.55 (27/2) (11/4/75)/(30/6/32) 4Composite 102.81 102.85 101.91 101.49 101.79 101.50 103.54 98.15 125.85 4.40 (10/4) (27/2) (11/1/6) (1/6/25 June 6 (Мау 30 ′ 4.85

loans.

Market leader BHP fell 16 cents to A\$9.02, while CSR, up 2.1 cents over the past two days, retreated to A\$4.00 before finishing 7 cents down on the day at A\$4.08.

However, ICI Australia found favour and advanced 8 cents to A\$2.30, while News moved ahead 10 cents to A\$2.92. 5.28 5.38 5.32 ind. div. yield % 8.45 ind. F/E Risto 7.92 8.38 8.95 | 8.98 | Lon Gov. Bond Yield K.Y.S.E. ALL COMMON June 13 June 12 June 11

A\$2.30, while News moved ahead 10 cents to A\$2.92.
On the Mining boards, Hamersley declined 5 cents to A\$2.50, as did Consolidated Goldfields to A\$3.45, but Coalscontinued to strengthen, with Coal and Allied shooting up 26 cents to a 1979 peak of A\$6.30. June June June June High | Low 57.9558.1857.6257.42 58.18 55.68 (10)6) (27/5) MONTREAL Uraniums were mainly firmer, Traders gave a nod of approval High Low to the Australian reorganisation of the UK company. Selection Trust, and marked its locally-listed concern, Select, up 11 258, 15 258, 48 267, 48 267, 58 258, 44 (17/5) 218-19 (2/1) 258, 20 258, 41 285, 16, 265, 72 258, 41 (12/6) 225, 80 (2/1) 1572,6 1574.6 1584.8 1579.2 1574.8 (12/5) | 1515.8 (2/1) TORONTO Composite

JOHANNESBURG Gold Industrial June! Pre- 1979 : 1979 14 vious : High : Low | Boain (d) (e) | 88.40 | 111.88 | 93.03 | (3.71) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81) | (3.81 Denmark (** 84.88 \$4.80 \$7.22 \$8.22 \$8.25 \$1.00 \$7.20 \$8.25 \$1.00 \$7.20 \$1.00 \$7.20 \$1.00 \$7.20 \$1.00 \$7.20 \$1.00 \$7.20 \$1.00 \$7.20 \$1.00 \$7.20 \$1.00 \$7.20 \$1.00 Dec. 1953. # Amerordem Industrial 1970. 11 Hong Seng Bank 31/7 # Hong Seng Bank Seng

WEDNESDAY'S ACTIVE STOCKS Stocks Closing Indicae and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. † 400 Industrials. § 400 Industrials. 400 Utilidas, 40 Finance and 20 Transport. 1 Sydney All Ordinary. [] Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank AUSTRALIA

STOCKHOLM June 14 +0.81 11.65 10.97 11.88 11.06 11.71 10.85 -0.05 +0.01 0.01 49 337 —2 18.6 5.4 145 — 9 5.2 Handelsbanker | 337, -2 18.5 5.4 |
Marabou | 145 | 9 5.2 |
Mo Ceh Domisio | 24 -1 2.50 3.4 |
Sandvik 8 Kr100 | 2274 1 6.50 2.5 |
Sk.K.F. 5 Kr.50 | 65.04 -1.5 4.5 8.5 |
Skend Enskilds | 128 | +1 9 7.1 |
Tandstik B(Kr50 | 51 | 9 7.1 |
Uddeholm | 60.5 -0.5 | 7 10.0 †1.84 #4.06 †1.88 †2.17 †8.45 †8.40 -0.07 -0.65

OSLO June 14

78.15 71.40 10.90 12.45 70.80 78.05 71.60 78.50 78.50 78.50 79.50 70.69 70.69

IGI Australia -

Jacques Borel ... Lafarge L'Oreal

DRAZIL

Acesita

+0.03 +0.02 +0.02 -0.05 +0.08 +0.02 **JOHANNESBURG** -0.01 +0.01 '+ or -40.01 Kinosi
Rustenburg Platinum
St. Helene
South Vani
Gold Fields SA
Union Corporation
De Beers Deterred
Blyvobruitzicht
East Rand Pty,
Fres State Guduld
President Brand
President Brand
President Brand
Welkom
West Drielonman
Western Holdings

MOUSTRIALE AECI 4.30
AECI 2.28
Anglo-Amer. Industrial 14.50
Barlow Rand 5.78
CNA Investments \$2.60
Currie Finance 0.85;
Edgars Consd. Inv. 1.60
Fdoars Stores \$44.00
Fdoars Stores \$42.00
Fdoars Stores \$2.00
Hilletts 3.00
LTA 17.55
McCarthy Rodway 1.80
-0.05 BIC 565 4 13.55 5.9
Bouygues 922 st +10 42 4.6
B.S.N. Gervaia 615 -7 40.5 6.8
Carrefour 825 -7 5.5 4.5
C.G.T. Alcatel 1.018 -4 81 7.9
Cie. Bancaire 599.04 4.7 16 5.8
Creusot Loire 153 12.75 8.4
Creusot Loire 560.0 1.4 - Durnez 672 -11 35.75 5.0
Fr. Petroles 672 -11 35.75 5.0
Fr. Petroles 750 5.7 7.5
Inetal 750 0.3 - - Lafarge 234.9 +1.9 20.18 8.2 -0.08 **-010** Helco Sang Holdings Appl A Smith Sugar ... Financial Rand U.S.\$0.89

(Discount of 25%)

June 13 -- -Ranco Bilbao
Renco Central
Ranco Exterior
R. Groneda (1,000)
Banco Hispano
Roo. 1. Cat. (1,000)
Banco Madrid
R. Saptander (770)
Ranco Vigcava
Ranco Vigcava
Ranco Zaragozano
Oregados
Espanola Zinc
Festa (1,000) Fecsa (1,000) Gel. Preciados Hidrola berduero Socalisa

Banque Beige Ltd. ... 14 %
Banque du Rhone et de
la Tamise S.A. ... 121%
Barclays Bank ... 14 %
Bremar Holdings Ltd. 13 %
Brith Bank of Mid. East 14 %
Canada Perm't Trust ... 12 %
Canada Perm't Trust ... 12 %
Cedar Holdings ... 12 %
Charterbouse Japhet ... 12 %
Choulartons ... 12 %
Consolidated Credits ... 12 %
Corinthian Secs ... 14 %
Credit Lyonnais ... 14 %
The Cyprus Popular Bk. 12 %
Duncan Lawrie ... 12 %
English Transcont ... 12 %

ξ,

DING RATES

2 Hambros Bank 14 %
C Hoare & Co. 112 %
Julian S, Hodge 15 %
Hongkong & Shanghai 14 %
Industrial Bk. of Scot. 12 %
Keyser Ulimann 14 %
Industrial Bk. of Scot. 12 %
Knowsley & Co. Ltd. 13 %
Lloyds Bank 14 %
London Mercanelle 14 %
Edward Manson & Co. 15 %
Midland Bank 14 %
Esamuel Montagu 12 %
National Westminster 14 %
National Westminster 14 %
P. S. Refson & Co. 14 %
Rosmonaler 14 %
Ryl. Bk. Canada (Ldn.) 12 %
Schlesinger Limited 14 %
E. S. Schwah 13 %
Security Trust Co. Ltd. 13 %
Shenley Trust Co. Ltd. 13 %
Shenley Trust Co. Ltd. 13 %
Shenley Trust Co. Ltd. 13 %
Trade Dev. Bank 14 %
Trustee Savings Bank 14 %
Trustice Savings Bank 14 %
Twenticth Century Bk. 15 %
United Bank of Kuwait 12 %
Whiteaway Laidlaw 14 %
Weiteaway Laidlaw 14 %
Members of the Accepting Houses
Committee. BASE LENDING RATES

Eagli Trust 14 % Yorkshire Bank 14 % Members of the Accepting Houses Committee.
First Nat. Fin. Corp. 14 % Tours of the Accepting Houses Committee.

E Antony Gibbs 12 % Tours deposits 11½% Today deposits 11½% Today deposits on sums of £10,000 and under 9½% up to £25,000 10½% and over £25,000 10½%.

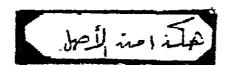
E Guinness Mahon 12 % Demand deposits over £1,000 11½%.

0.80 F.23.80 Ncv. Feb. Dec. — ; -- ;\$59% £60° <u>1</u>4. 608

EUROPEAN OPTIONS EXCHANGE

Yol. F,28,50 Fr.4685 F.143.20 Fr.850 Fr.128.20 TOTAL VOLUME IN CONTRACTS

نفكذا من الاجس



FINANCIAL TIMES SURVEY

Friday June 15 1979

Austrian Exports

Austria achieved a remarkable success in reducing the trade and current account deficit last year. In this survey, Paul Lendvai, our Vienna correspondent, assesses the importance of exports to the country's economy and looks at the dangers threatening external trade and the balance of payments.

Will the upswing endure?

MOST ECONOMIC commentators would agree with the statement in the annual report per cent. These favourable of the respected Austrian developments were also influ-Institute for Economic Research that the most positive feature of Austria's economic performance last year was the reducfrom of the visible trade deficit higher VAT on so-called luxury from an all-time record level of goods and the 3.4 per cent Sch 77bn (£2.63bn) in 1977 to reduction of the Schilling-de-Sch 55.8bn (£1.90bn) and an nominated import bill for petroeven more significant cut of the current account deficit from Sch 49bn to Sch 22bn

If allowance is made for the controversial item of "errors and omissions," the improve the temporar ment was even more dramatic: oil markets. a reduction of the deficit from ADMINE Sch 29bn to Sch 6bn.

However, the main issue at the centre of attention now is whether this improvement will be durable or whether last and year's figures reflect temporary appear to confirm the predictive forces. It is a supple to the predictive forces of the predictive for factors. It appears that the package of monetary and fiscal squeeze measures, introduced in the autumn of 1977, as well as the general economic situation nomic Research, prepared at the abroad and at home, provided. end of March, predicted a rise the background to the better of the visible trade deficit to than-expected performance of the external payments. So, after annual growth of

almost 5 per cent between 1959-69, 6 per cent between 1969-73 and over 3 per cent in 1973-77, cent rise last year. In fact, real domestic demand even dropped by 8 per cent. Except for the year of recession in 1975 and the one of the currency stabilisation in 1952, last year produced the lowest growth rate since the 1939-45 World War.

This slackening of demand was, of course, reflected in the trade statistics. While exports enced by such exceptional factors as the 45 per cent fall in the imports of passenger cars. due to the introduction of much leum products.

The latter was the consequence of the continued apprecia-tion of the Austrian Schilling vise-vis the U.S. dollar and of the temporary glut on the world

Predictions

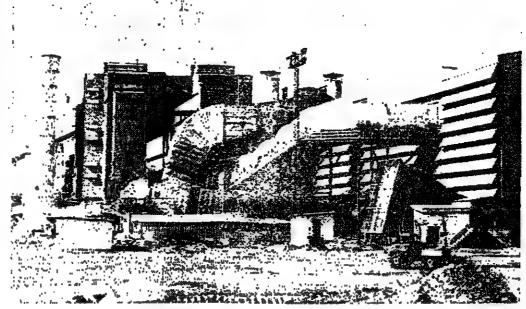
Developments during the first tions that both the trade and the current account deficit will rise again this year. The fore-cast of the Institute for Eco-Sch 60bn and a shortfall on

It remains to be seen whether these estimates are not perhaps slightly too optimistic. Austria's policy mix of achieving both a reduction of inflation from 7.3 per cent in 1976 and 5.5 per cent in 1977 to 3.6 per cent in 1978 and to a similar rate this year — at the same maintaining almost full employment (unemployment rate rose only from 1.7 per cent to 2.1 per cent in 1.7 per cent to 2.1 per cent in 1977-78), has often been praised by foreign observers. But the

policy has also cost a high price in the form of steadily rising public and external deficits. It is evident already that the economy will grow this year by three, possibly even 3.5 per cent. In January-February this year industrial output was running at levels 5 per cent over those recorded in the same period last year, although the research institute's forecast is a growth of 4 per cent for 1979.

One of the key factors affecting the exports performance is the competitiveness of Austrian products. This is the reason for the heated controversies concerning the development of unit costs. The research institute concluded that last year unit costs in industry rose by only 3 per cent: well below the growth rate of the main forcion trading main foreign trading partners and in striking contrast to a 6.1 per cent rise in 1977 and to a jump of 16 per cent in 1975.

This favourable tendency is likely to persist this year with relative cost advantage of 3 to 4 per cent compared to the average performance of manufacturing unit costs in the main competing countries. :However, it would be mis-



This iron-ore pelleting plant, claimed to be the world's biggest, was set up in Puerto Ordaz, Venezuela, by the Austrian concern Vocst-Alpine as general contractor. The plant has been in operation since the end of last year

most recent years into consideration. Officials of the Federal Chamber of Economy and spokesmen of the industry like to point out that in international comparisons unit labour costs must be measured in U.S. dollars rather than in schillings to produce a realistic picture. this basis, between

1970-78 Austria was ahead of all countries except Switzerland. polic The difference in the basis is extremely important if one recalls that between 1970-79, for

leading if one took only the example, Austria's annual of the schilling exchange growth in unit labour costs ex-pressed in local currency is partners appreciated by just reckonded to have reached 6.9 over one-third between Decomper cent as against 8.4 per cent ber 1972 and the end of 1978, for the OECD as a whole. Yet So the success of Austrian measured in a common currency exporters in maintaining and the figure for Austria becomes 18 per cent for the OECD.

Another bone of contention has been the exchange rate policy of the socialist govern-ment which has de facto linked Schilling to the D-mark

even gaining foreign market shares despite an appreciating currency, must be seen against the background of a steady decline in relative export unit

values and of rising relative unit costs. No wonder that spokesmen of trade-weighted average the business community com-

plain of a profit squeeze and a

The controversies about the policy in general reached a crescendo before the general elections, fuelled partly by the various studies ordered and financed by the Ministry of

tion parties and business spokes- in market shares in the Euromen were sharply critical of the Socialist Government's economic his Ministers energetically defended their record, pointing to ket conditions. However, to the sustained growth, low recapture the same position inflation and high employment figures during 1970-78. With before the establishment of the the Socialists scoring their Common Market in 1959 exports fourth consecutive electoral should be increased by yet victory and their third with an another 33 per cent above last absolute majority on May 6, the year's level. debate about the future course of economic policy has become more businesslike.

It is difficult to quarrel with the Chamber of Economy's below the comparable figures assessment that the single most for other small industrialised of the state is to strengthen the Austrian companies' competi-tive ability vis-a-vis their in a recent study on the foreign rivals. This cannot be balance of payments situation be done

is naturally heavily dependent involved in export efforts and

falling cash flow in the export- Europe (absorbing \$4 per cent of the aggregate exports), with the Common Market accounting squeeze on profit margins in far 52.2 per cent. A key role is played, perhaps more than ever, by West Germany which supplies 48.3 per cent of the imports and is a market for 29.1 per cent of Austria's exports.

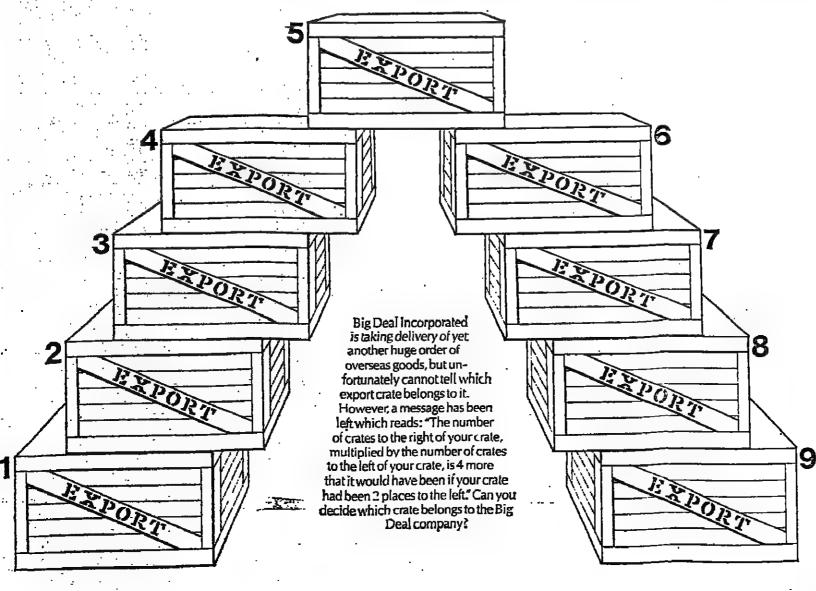
Three out of four tourists Not surprisingly, the opposi- are also Germans. So the gains pean Community are regarded as a proof that Austrian ex-porters are capable of adapting themselves to the changed marrecapture the same position enjoyed in those countries Common Market in 1959 exports

Yet for all the success story of Austrian exports, it must be remembered that the per head exports of goods are still well important export promotion task countries such as Belgium, the Netherlands, Sweden, Norway

done by way of higher duties with particular stress on the or the so-called non-tariff structural problems of industry barriers but simply by a sensible and trade, the economist Prof. taxation, wage, budgetary and monetary policy. The point, of the inherent disadvantages course, is that the views differ as to just what could and should of "spin off" of military and prestige-oriented research, the A small land-locked country small size of the domestic of about 7.5m people. Austria market, the high risks and costs

CONTINUED ON NEXT PAGE

The neatest solutions in import-export finance often come from Creditanstalt.



In the risk-prone field of import-export finance, there's no ready substitute for experience:

Without it, putting together the package you really need may simply take too long.

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At Creditanstalt, we have the skills and expertise to put together the right package, in the right time. As Austria's leading bank, we've been centrally involved

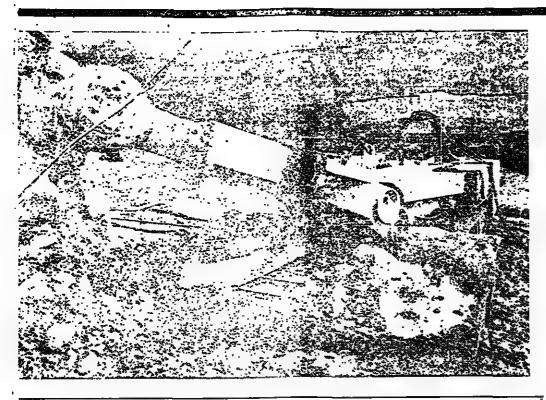
in the international trade that has played a key role in the country's progress. Our Group provides about one third of Austria's

export credit finance, and arranges international payments to about the same amount. We supply 90 of the country's top companies with help and advice. Creditanstalt has a great deal to offer you in Austria, Europe (including Eastern) and, because

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The prototype of the newest and biggest gallery traction engine from the Zeltweg plant of Voest-Alpine concern, the AM 100, has started working in a coalmine in the Ruhr region of Germany Germany.

RIGHT >

A morie camera that can be used under water without fitting a waterproof casing is now being manufactured by Eumig and joins Austria's growing list of high-technology exports. On the Eumig Nautica all shots are automatically sharp from a distance of one metre and the automatic exposure control sets the diaphragm for the



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IF AN Austrian businessman goes abroad to set up a new venture or conclude a deal, he negotiations on economic matters are inconceivable without the presence of the trade But in contrast to the methods of most other coun-

tries. Austria's trade representatives abroad are not diplomats but highly trained trade specialists. They work for the unique system of export organisation run and financed by the Federal Chamber of Economy. Their reputation and organism is such that neither credibility is such that neither is smell exporter of embroidery to Nigeria, nor a large nationalised concern engaged in talks about erecting complete plants in Latin America, can afford to ignore the treasure house of experience, and accountabled experience and accumulated knowledge these multilingual specialists (mostly in the 35-50 age bracket) represent.

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invariably consults the local trade experts — who is equally gates act as representatives of Austrian trade representative at home at an international contibe economy and as highly before making any final ference dealing with dumping qualified service outfits for busidecision. If a Government deleproblems as at a meeting with messmen. They can of course decision. If a Government dele-gation arrives, the Minister's Austrian businessmen from a rely on the assistance of the negotiations on economic small provincial town — about Ministry of Trade when trade shall product a lower than a surface and politically neutral locked and politically neutral countries and politically neutral countries where they are world, represent the trade interests of this small land-locked and politically neutral locked and politically neutral countries where they are small land-locked and politically neutral land-locked land-l country. Only under special conditions such as those in Eastern Europe or in certain developing countries do these trade representatives have diplomatic status, but even there they operate under the

> national concerns nor many foreign countries. companies which could establish important subsidiaries abroad. It is the network of the S3 offices (32 in Europe, 17 in North and South America, 14 in Africa, 19 in Asia and one in Australia) which serves some 4,000 Austrian exporters, who can contact directly both the trade representatives abroad or the area desk officials in Vienna.

them to give advice about how to secure export credit guaran-What is particularly important is the long period these specialists spend in their areas. While diplomats usually stay two or three years in a country, Austrian trade representatives usually spend up to eight to 10 years in one place. thus providing Austrian exporters with an intimate knowledge of the business struc-

Under the able leadership of coming from distant Austria. Dr. Friedrich Gleissner, one of Without red tape and diplo-Austria's top economics and matic protocol, the trade dele-Without red tape and diplo-

Range

This year, for example, four economic missions to India, Chile-Ecuador-Colombia, the Far East, including South Korea, there they operate under the will be organised. To such mis-direct supervision of the slons must be added 16 round Federal Chamber of Economy.

Austria has neither multi-

the area desk officials in Vienna.

They fulfil a variety of indispensable functions for small and mediated firms, from elections for small and mediated firms, problem and information in fairs.

Austria washe and information. alerting them to sales oppor- Austria weeks and information as the competitiveness of proventures, with one-third taking ducts but also the way in which with their political opponents at place overseas. They range "Made in Austria" goods are the negotiating table and from technical exhibitions in Atlanta, Georgia, U.S., to a furniture show in Moscow, from a winter sports festival in Holland to a store promotion campaign in Hong Kong.

Every week elmost 7,000 Austrian companies receive a weekly foreign trade news builetin from the Chamber. If they express interest, they also receive free of charge regular ture and easy access to the market reports and studies as decision-makers. The more well as a comprehensive report, backward or more dictatorial revised annually, giving essenthe country is, the more tial information about 150 indispensable the trade dele-countries. A new computerised gates become for a businessman information and data system

stores 23,000 product headings study tours for journalists and supplied by 5,000 Austrian exporters, Chamber officials and exporters and 2,300 importers specialists also contributes to supplied by 5,000 Austrian exporters and 2,300 importers

from Austria.
This year, the Chamber has further expanded its activities aimed at helping small and medium-sized companies in the increasingly sharp competition in foreign markets. Thus the Chamber now provides up to 50 per cent of the costs for a market research study provided certain conditions are met. The Chamber itself, or more preclsely its specialists including trade delegates transferred home after a tour of duty abroad, will increase the numbar of market reports provided to companies.

If at least five companies combine forces and dispatch a salesman abroad, the Chamber can pay up to 50 per cent of the travel expenses. The foreign language publication serving export promotions can receive per company and per annum a subsidy equal to £2,000. Other measures involve help for covering the costs of interpreters and copying machines as well as the dispatch of technicians as the dispatch of technicians and engineers to fairs, provided these do not take place in

offered for sale in Europe and clsewhere—and last but not able compromise. least at making new companies interested in exports. Docu- between the two sides of indumentary films. language and management courses, training of export specialists and close contacts with universities also belong to the large-scale and permanent programmes mounted by the Chamber and its affiliated bodies such as the Institute for the Promotion of Economy. The organisation of delegates.

he awareness of the crucial importance of exports for Austria.

In a sense the Chamber, which in its present form was founded more than three decades ago, has been a tremendous success despite or perhaps even hecause of the changes in succeeding governments. Though representing the interests of the business community and thus auto-matically belonging to the so-called "black"—that is, con-servative camp—its president. Herr Rudolf Salinger, and other high officials have traditionally served not only as a link between the Government and the exporters but have also maintained excellent personal relations with the Ministry and the trade unions. The fact that since 1970 Austria has been run by a Socialist Government which has just been returned for another four years has not affected the co-operation affected the co-operation between the Government and

the Chamber. Herr Salinger and the Secre-tary General, Dr. Arthur Mussil, have often indulged in sharp polemics (as People's Party deputies) in Parliament with Socialist Ministers and union leaders. Yet often the same day they have managed to sit down with their political opponents at hammer out a mutually accept-

permanent try and business have survived all the political changes and storms of the past decades. The system is one key to Austria's economic miracle since World War II and, of course, also the basis for the success story of the unique system of Austrian export promotion and trade

Upswing

CONTINUED FROM PREVIOUS PAGE

the existence of few really large exports. They include: product-companies.

But in the case of Austria there are other partly inherited, partly self-made disadvantages. in addition to a lopsided industrial structure, caused by the break-up of the Austro-Hungarian monarchy and the thrust of industrialisation under German occupation during the war (steel sheet, aluminium. pulp, fertilisers), the 1960s con-tributed to a deterioration rather than to an improvement of this basically antiquated and uncompetitive structure.

Polemics

Going beyond the usual politically-motivated polemics be-tween the various lobbies, Prof. Tichy stated that Austria has one of the highest investment ratios in the world (27 to 28 per cent of the gross GNP between 1973-77 as against about 22 per cent in Germany). But he said, the share of industry had reached only a medium level and the return on capital in 1973 was 20 to 25 per cent lower and output per head (in 1974) 18 per cent below the comparative figures for West Germany.
While social partnership—the tested co-operation between the two sides of industry, farmers and the government—provides the basis for labour peace and

ated_promotion: compensation for losses caused by the Schilling's appreciation in a way which accords with the GATT rules; a permissible tax debt for five years ranging to up to 50 per cent of the costs involved in tapping new markets (but ex-cluding Germany, Northern Italy and Switzerland); joint export ventures of smaller companies: accelerated division of labour with the Comecon states; and measures to alleviate the tax burden of the tourist industry coupled with the modernisation of facilities for group tourism. Some of these ideas have been incorporated into a new strategy paper just presented by Dr Arthur Mussil Secretary-General of the Federal Chamber of

Economy. In addition to the provision of risk capital, the paper put the emphasis on taxa-tion and other measures needed to speed up technology transfer to promote specialisation: to of income from inventions and patents: to increase funds for research and development in industry: to apply in practice the results of research and development; and to intensify contacts between on the one hand and the universities, research institutes and laboratories on the other. sustained growth, it also acts as a barrier to the overdue bodies founded by Girozentrale redeployment of labour and and the Zentral-sparkasse to procapacities. Austria is still one more exports by small and of the world's laggards in spend-medium-sized companies, are all ing on research and develop- part and parcel of a new ment, which account for only economic strategy needed if 0.6 per cent of the GNP.

Austria wants to retain its proud
In the final part of his place in the front ranks of the
thoughtful and outspoken study. Furncean growth and stability Austria wants to retain its proud Prof. Tichy suggests a whole league, an a par with Germany catalogue of measures to help and Switzerland.

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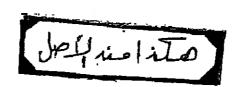
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Clouds over East European trade

For centuries Austria was the heart of the Habsburg empire dominating the economy of the countries in the Danubian Basin. Even after the break-up of the Austro - Hungarian monarchy, half a century ago, the three direct neighbours—Czechoslovakia, Hungary and Yugoslavia—accounted for well over half of the country's aggregate foreign trade.

After the difficult years of

After the difficult years of Stalinism, isolation and Cold War separating Eastern Europe from its natural trading part-ners, the relaxation of tensions, East-West Detente and the economic upswing in Austria ltself have revived interest on hoth sides in re-forging old commercial links. Of course, the closer co-operation lends a special importance to Vienna as a contact point for East-West

Situated only about 50 miles from the Czechoslovak and Hungarian borders, the Austrian capital is a convenient launching pad for Western companies doing trade with the East. Thus it is no wonder that between 350 and 400 important western firms concentrate primarily or partly on trade with Eastern

It is reckoned for example that one in four compen-satory payments arrangements between East and West (ex-cluding trade with the Soviet Union) are handled by Austrian intermediaries or have origi-nated in Vienna. Over 50 foreign banks have branches or subsidiaries here. The Austrian banks play a key role in financing exports to the East. It is estimated that by the end of last year the indebtedness of Comecon states, including comcredits. to Austria

NO OTHER West European country is as closely involved in trade with the Communist East as Austria. The massive involvement is due to a combination of factors such as geography and history, intimate knowledge of the area and the mentality of the people and elites living there.

For centuries Austria was the heart of the Habsburg empiredominating the economy of the countries in the Danubian Basin. Even after the break-up of the Austro - Hungarian monarchy, half a century ago, the three direct neighbours—Czechoslovakia, Hungary and Yugoslavia—accounted for well over half of the country's aggregate foreign trade.

Clearing to payments in contexting to mayments in contexting the currencies. Austrian in the first place against low cost imports from the Far East in such domains as textiles, clothing and electronics.

It is pointed out, for example, that Austria produces some statistics comprises Atbania, Bulgaria, Czechoslovakia, East Germany, Hungary, Mongolia. Poland, Romania and the Soviet Union but not Yugoslavia, even this figure is deceptive. If one adds the Yugoslavia, even this figure is deceptive. If one adds the Yugoslavia exports to Eastern Europe began in the East European state in 1975 reaching a peak of 17.1 per cent in 1975. However, since "Eastern Europe" in the Austria produces some that Austria produces some such as trade statistics. It is pointed out, for example, that Austria produces some the Austria and capture in 1975. However, since "Eastern Europe" in the Saulgaria, Czechoslovakia, East Germany, Hungary, Mongolia. Poland, Romania and the Soviet Union but not Yugoslavia, even this figure is deceptive. If one adds the Yugoslavia and 245,000 from Romania. Another alarming example is the tights sector. The number of Austrian producers was halved between 1972 and 1978 and domestic output dropped very since the first place against low cost imports from the Far East in such domains as textiles,

Disappointment

But the second half of the decade has produced a deepen-ing disappointment. Instead of the hoped for expansion, trade with the East is on what appears to be a downward slope. The share of the Comecon countries fell to 15.2 per cent in 1978, to 14.5 per cent in 1977 and to a new low of 13.7 per cent last year. Though the share of Yugoslavia has remained on the whole the same at 3.5 per cent, even the combined—that is Comecon-Yugoslav - trade is now in proportional terms about as large as the Comecon stake alone four years ago.

The figures during the first quarter of 1979 reflected a fur-their deterioration. While Austrian exports on the average were up by 13 per cent on the same period a year ago, sales to Eastern Europe were actually down by 2 per cent. As imports from Comecon also fell by 8 per cent, the departmental chief at the Ministry of Trade in charge of foreign trade publicly called for quick remedial action. As a first step, he suggested the reintroduction of the autonomous tariff cuts which one and a half years ago were revoked as a prop to the balance of payments.

The suggestion was, however, quickly rejected by most comreached some Sch 45bn.

After a temporary setback due to the switch from bilateral mentators and also criticised by officials of the Chamber of Economy. The point is that the

Another alarming example is the tights sector. The number of Austrian producers was halved between 1972 and 1978 and domestic output dropped from 84m to 67m pairs. During the same period, imports jumped from 9.8m to 50m pairs.

Another even more important consideration is the simple fact that the east European countries therefore buy less from Austria and from the West in general because they are in the midst of a structural economic crisis, sharpened by the fuel price squeeze. Dr. Friedrich Gleissner, the chief of the foreign trade and comparation of the control of the structural economic crisis. mercial policy department at the Federal Chamber of Economy has time and again publicly come out against any kind of protectionist practices. But trade policy must be based on the application of principles of reciprocity. As the entire economy and the foreign trade organisation of Communist countries is completely different from that of Austria It is extremely difficult to realise the principle of

In any case, the Austrians trading partners after Yugo-are firmly against the idea of slavia and they are followed by any kind of free trading zone Czechoslovakia, Romania and with the east as a dangerous East Germany. With little prowith the east as a dangerous political risk which in the case of Finland for example did not yield any tangible advantages for the Finns. In view of the strict rules and tariff-free intrabloc trade within Comecon it is receiving more complete in-almost ridiculous to talk about formation and statistics from the almost ridiculous to talk about discrimination applied against local authorities, Austrians are

about reduction of certain tariffs, which of course have to be extended to all GATT member states, is seen as a good-will gesture made by the Austrian side.

East European demands for preferential treatment of goods produced under various co-production agreements are also regarded by Austrian experts as unacceptable. First, the term "co-operation" for "joint venture" is extremely vague and second. Austrian producers not engaged in such deals cannot be "punished" by being placed at a competitive disadvantage visavis others who work together with Eastern firms.

In any case, Austria already in January 1975, introduced full liberalisation, eliminating all quantitative restrictions. For about 150 tariff headings, automatic import licence is granted only after the invoice is stamped by the trade or agricultural ministry. This protective measure is defended by the Austrians as a kind of "early warning system" applied in trade with Eastern European. Far Eastern and developing countries, which are not members of GATT.

In sum, the Austrian side

In sum, the Austrian side blames the lack of demand, not high tariffs for the fall in East European exports to Austria. Trade experts at the Viennabased institute of Economic Comparisons expressed the view that even the granting of new tariff concessions could not give a real fillip to exports to the East. In the next few years little

mutual advantages in practice.

Scope is seen for an increase of sales in Comecon countries.

Poland, the Soviet Union and Hungary are the major Eastern gress achieved since the European security conference in getting easier access to the endusers, enjoying better working conditions for businessmen and Eastern exporters trying to sell sceptical concerning short- and in Austria. Nevertheless a medium-term growth prospects for trade with Eastern Europe.

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Nuclear power decision consequences

about the commissioning of heating oil by 17.5 per cent on Austria's first nuclear power the corresponding period the plant at Zwentendorf in Lower year before. The prospects are Austria has changed the entire for greater dependence on im-energy picture—with far-reach ports, especially from Eastern consequences on the Europe.

at a referendum should only be only 1.8m tonnes.

The 400 MW nuclear power plant was erected at a cost of some £280m equivalent by the Verbund Gescilschaft, the State electricity concern, and provincial utility companies. It is now planned to take the final deci-sion in September about building a power plant based on hard coal rather than on oil and gas as originally planned. The plant will go on stream in two to three years and negotiations are already in progress with Polish and West German concerns contonnes of coal per annum. A conversion of the Zwentendorf nuclear plant into a conven-tional power station would take six to seven years and cost some

The immediate effects of the "No" to nuclear record "No" to nuclear power will soon be felt. It is now taken for granted that from January 1980 on electricity rates will be raised by more than the average 4 per cent of the last 10 years. After all, the companies concerned will have to absorb the enormous losses caused by the scrap-ping of the Zwentendorf plant.

Worse

e situation is, if anything, Congrious energy savings Coop the contrary energy Corin 1 last years Corin 1 last year was up Credit ent on 1977, During The Cytes the Walter Duncarter the growth rate Eagil cent, and in April Englis as high as 5.8 per

First the demand for Antonyroducts slacken. In Greyhore months of 1979 Grindl: of premium grade

position. By a narrow majority the recommendations of the the voters rejected nuclear International Energy Agency power and Parliament subsequently adopted a law under sumption. As a matter of fact which the plant cannot go into consumption on the whole was operation. up by 9 per cent in the first It was also announced by all quarier. Last year Austria conparties before the recent general sumed 11.3m tonnes of crude accounted last year for 44.5 per elections that a decision taken with domestic output totalling per cent of Austria's total

> stagnation of domestic output, the increased demand had to be met through larger imports. 60 per cent between now and Energy imports last year cost the year 2,000 on the assump-

country's future supplies and At any rate, there can be no halance. About 20 per cent of the construction of a coal pipe-also on its balance of payments question of Austria following the imported oil last year came line and the import of electric

that the situation since then has It remains to be seen whether

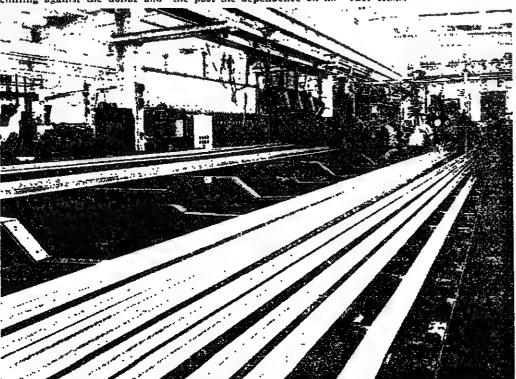
per cent of Austria's total Austria. per cent of Austria's total In the revoked or changed by another referendum. This means in practical terms that for the foreseeable future Austria is bound to remain without nuclear bound to remain without nuclear terms are consumption of petro
Last year the overall rise in specific fuels, imported coal imports of cars and components accounts for 79 per cent, for also involved a jump of 9.4 per power 33.5 per cent, crude oil deficit. The upward revision of petrol and diesel oil prices as of June 1 is unlikely to cause the country of the virtually 100 per cent. virtually 100 per cent. as of June 1 is unlikely to It is estimated that Austria's a fall in consumption.

> The price of imported crude, conomic growth rate of 2.8 however, was 8.4 per cent below 1977. This was due to the appreciation of the Austrian schilling against the dollar and the past the dependence on im- fuel crisis.

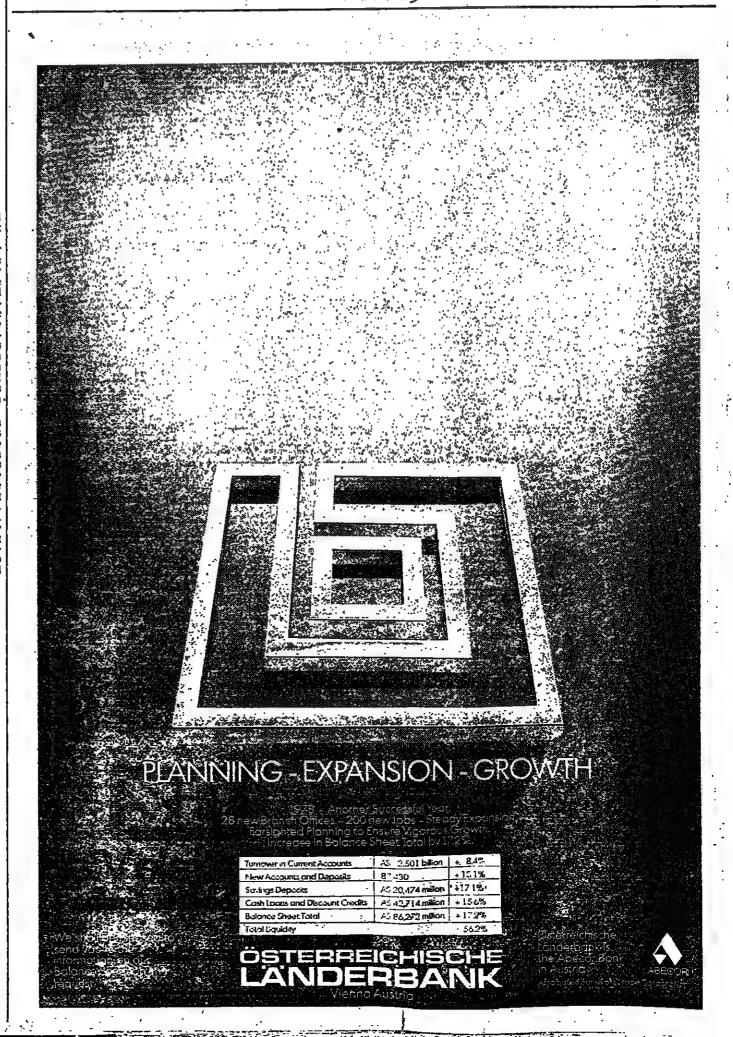
THE NUCLEAR referendum petrol was up by 5.4 per cent, to the temporary glut on the ports of oi), gas and coal will held on Nowimber 5 last year diesel oil by 12.1 per cent and world oil markets. vorld oil markets. rise by 7 per cent to 64 per cent But economic experts caution by the year 2,000.

changed dramatically and that and to what extent the ambitious the petrol bill will once again plans concerning joint power contribute to a deterioration of plants based on lignite on the Austria's trade and payments Hungarian-Austrian border and from Iran. In general, the country's dependence on imported solid and liquid fuels is steadily increasing and thus also its vulnerability to political upheavals abroad. upheavals abroad. economic or political turmoil
The East European States in one of the Eastern suppliers could have a drastic impact on

In the short term the rise in energy consumption will rise by Government is now considering 80 per cent between now and more drastic savings measures. But whatever the concrete plans. involving also the programme of the domestic energy saving agency. Austria is bound to be more vulnerable than ever to the shock waves of the world



The problems of shortage of power as supply struggles to meet demand are likely to be widespread, particularly in industry. Above: production at the Ranshofen aluminium works



General Motors project a success for Kreisky

listed as factors by Mr. It all started with the Alexander Cunningham, vice-president of the General Motors Corporation, when he formally announced that his company had decided to build a large engine plant at Aspern near the been sold abroad. engine plant at Aspero near Vienna. These were the

few days earlier when Mr. E. M. Estes, General Motors President, paid a lightning trip to than keen to allow the use of the Carinthian resort, the Porsche brand name.

Poertschach, where the ruling Socialist Party was holding its to beat France and Spain in the post-election caucus meeting. It great race for the planned \$1bn was there that the chief execu-tive of the world's largest car nounced by Ford. Here again manufacturer told Chancellor Chancellor Kreisky himself manufacturer told Chancellor Chancellor Kreisky himself Kreisky and representatives of negotiated with senior Ford the unions and the business executives and corresponded community of the company's

Though some Austrian newspapers expressed disappoint too. The French President ment that Austria had failed to threw his own personal weight capture a larger slice of the behind the hid to bring the orders in connection with the plant to France and had a company's expansion plans in Europe, there is no doubt that the £150m project, providing In the end Ford scrapped its the £150m project, providing 1,500 jobs, is a major personal and political success for Chan-Bruno Kreisky, who

STABILITY, campaign to attract some of the £150m, in addition to providing labour peace and the availa- large international car com- a site free of charge. Such bility of skilled labour were panies to Augtria. financial assistance and site

Vienna. These were the reasons, he said, why General and the Porsche family raised Motors was attracted to Austria.

In fact, details of the project were already front page news a service and sales network at the fact details of the project were already front page news a service and sales network at the fact details of the project were already front page news a service and sales network at the fact details of the project when the project were already front page news a service and sales network at the fact details of the project when the project were already front page news a service and the project when the project were already front page news a service and sales page news a service and the project were already front page news a service and the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project were already front page news a service and sales network at the project was a service and sales network at the project was a service and sales network at the project was a service and sales network at the project was a service and sales network at the p disposal of the Austrian ven-ture, while Porsche was less

> Henry Ford, thus President Giscard prodding President Giscard d'Estaing of France into action

ambitious plans, although in the meantime Austria had offered investment grants totalling in one form or another almost

development projects have all along played an important role in the successful campaign of WIBAG, the industrial siting corporation, to attract new industries to the capital and the surrounding area.

Incentives

The project—particularly in view of the large-scale financial incentives offered by the Government and the municipality was not without its critics, Some commentators suggested that the Socialists were trying to make political capital out of the idea on the eve of the May general elections. However, it has been known all along that General Motors also has been

showing interest in Austria. Eventually, the elections were won by the Socialists, so politics can not be really suspected as the main motive behind the bld to attract foreign investment. In fact the shopping for joint ventures is motivated by the need to dampen the strains on the balance of payments.
This is the reason why the

Austrian side has offered to provide one-third of the investment outlays. The federal state will put up two-thirds of the £50m facturers, ranging from the investment grant with the muni- Japanese Mitsubishi of Japan

cipality of Vienna providing the to Ford and General Motors, the rest of the grant.
Nothing could illustrate the

contradictory trends better than the fact that while some papers criticise the spending of £30,000 on creating each new job, provincial newspapers complain bitterly that Vienna-Aspern and not the sites offered in Styria or Carinthia have mark for a population of just been chosen. Such projects as over 7.5m, there is still scope for plant have been cancelled or It is still possible that General moved to Spain, with Spain's Motors will decide within a cheaper labour force tipping couple of years or so to set up the balance.

equivalent of \$100m to the strengthening of the country's balance of payments. Further, General Motors is said to have promised to spend the entire investment grant within the country. It is reckoned that about half of the total value of the engines will be provided by Austria, Further, General Motors aiready covers aimost half of its sales in Austria through purchases from

It is this factor that has also played an important role behind the Austrian drive for joint ventures. Through contracts with so many different manu-

After all, Austria is an important market with new car registrations expected to exceed 200,000 this year. Though the number of cars passed the 2m expansion in sales.

an assembly plant in the Aspern area. The location provides a Even so, the engine plant in area. The location provides a Vienna will manufacture 300,000 fully developed infrastructure engines a year, contributing the and is close to a canal leading to the Danube, which could be particularly helpful when the Rhine-Main-Danube canal is completed. The proximity to Eastern Europe and the excellent record in labour relations (there has been no major industrial strike for the past 15 years) are powerful arguments in Austria's favour,

Another important consideration from the Austrian point of view is, of course, the provision of jobs. It is estimated that in the next few years about 30,000, and up to the mid-1980s 20,000 additional new jobs, will have to be created. Yet industry has lost during the past few years about 8 per cent of its town of Steyr in Upper labour force and its capital Austria. The Steyr group also



While Austria has been busy attracting foreign car companies the Austrian concern Steyr-Daimler-Puch has produced a new cross-country car, the Puch G. in co-operation with Mercedes-Benz of Germany. Extremely manoeutrable, if can be supplied in 40 different versions

relative terms, compared with overall investments, has been

Specialisation and improve Styria.

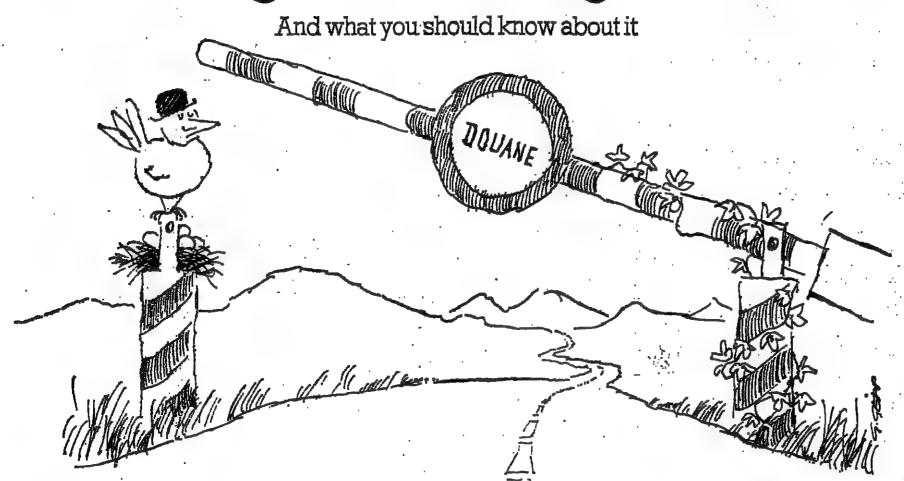
ment of the production structure are needed and it is hoped
genera that other major joint ventures in the motor industry will also helpful in this respect. Only ten days after the announce-ment about the General Motors Stevr-Daimler-Puch, Austria's leading motor con-cern, and the German BMW motor company will give the a diesel engine plant near the

steps forward, the Renault ven-ture at Gleisdorf in Styria is spending £1.5m to subsidise jobs in a foundry for 40 people. But here too local considerations play a significant part.

spending both in absolute and collaborates with the German formance in terms of per head car maker Mercedes-Benz to exports of chemicals, machinery produce a cross-country vehicle and transport equipment as at a new plant at Graz in well as manufactured goods. While in 1960 the Austrian While these projects are figure amounted to only 60 per generally regarded as important cent of the OECD-average (cxcent of the OECD-average (excluding the U.S. and Japan). the proportion rose to 95 per cent by 1976.

There is no doubt that the transfer of modern manufacturing and management methods According to one recent to a country so deeply steeped study, Austria has caught up in parochial traditions, can with the average OECD per- only speed the process.

Investing and Financing in Austria



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115 Pages about Austria.

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Exports shift

European integration has been nents of close links between neutral Austria and the Common Market. Full membership in the European Community would have been incombut permanent neutrality.

Under the terms of the free trade agreement, teriffs on manufactured goods in trade between Austria and the Common Market were between October, 1972, and July, 1977,

Up to 1977, as noted by the last OECD report on the Austrian economy, "the mutual tariff reductions seem to have had a negative net effect on the initial level of tariffs in Austria was higher and domes-tic producers presumably were slower in taking advantage of the removal of trade barriers than foreign competitors."

The rise in unit labour costs and the domestic boom, en-gendered by rising incomes and the spending sprees of the socialist government, may of course have been much more important than the "slowness" in adaptation as mentioned by the OECD report. But regard-less of the details of such assessments, the fact remains that the positive integration that the positive integration effects coupled with the improvement of the supply structure, tipped the balance in favour of gaining, or rather regaining, market shares in the highly competitive. Western

In this respect 1978 clearly e turning point exports to the Austrian Common Market were up by 15,6 per cent and the trend continued in January and February this year with growth ties of rates of 17 and 18 per cent Austria respectively. Particularly impressive was the almost 20 per rejects cent jump in sales in West Germany which alone accounted for 29 per cent of the Austrian exports total.

Decline

a low point of 44.2 per cent in 1975. Last year the Common Market absorbed 52.6 per cent of the aggregate Austrian exports, about the same proportion as recorded in the mid-1960s, but still two percentage points below the level reached More than half of the in-

creased deliveries went to Germany, but sales to France, the Netherlands and Britain were

on the complaints about the "hard" Schilling, one must, of course, also note the fact that, after all, the "hard-currency bloc" of Germany, Switzerland and the Beneiux countries account for two-thirds of Austrian imports and almost two-fifths of Austrian exports.

However, there is another side to the picture. In the first quarter of this year the visible trade deficit was again up by Sch 900m to Sch 14.7bn and the European Community accounted for 99 per cent of the adverse balance. The accelerated im-ports of cars, amounting to 25 per cent of the deficit in the first quarter, clearly were an important factor in the deterioration of the trade picture...

weight to the problems concernthe subject of heated debates ing the structure of Austrian between advocates and oppo- exports. On the one hand, the country has achieved some stunning successes. Thus it is claimed that Austria caught up with Germany in the per head figures for the exports in a but permanent neutrality.

Divides the terms of the free and transport equipment rose from 21.6 per cent to 29 per cent of the Austrian exports

> However, the Institute for Economic Research pointed out in its annual report on the foreign trade performance that the share of technically advanced manufactured goods has remained still relatively low. So in 1977, for example, the proportion of haif-finished good: and basic materials was still twice as high as the comparative figures for West Germany and Switzerland. At the same time the share of industrial the share of industrial machinery was, at 14 per cent. about seven points below the figures for those two countries.

Revision

A special problem is the farm sector, which has been excluded from the agreement with the EEC. The Austrian government seeks a revision of the 1972 arrangements regulating what is called in the free trade agreement "the harmonious development of

agricultural trade exchanges." Though the deficit in the balance of trade with farm products last year was reduced from Sch 14bn to Sch 12.1bn, the spokesmen of the farmers' lobby complain about the barriers to the exports of cattle, cheese and wine and also accuse the government of allowing for too large quanti-ties of imported wine into

The socialist government rejects such complaints and points both to the high sub-sidies for the farmers and the foreign trade obligations as arguments that there can be no question of discriminating against the farmers. It remains to be seen whether a definitive During the 1970s the share of agreement with the EEC could the EEC in Austrian exports be reached in the next few months.

Evidently, Austria's trade with the OPEC countries remains a weak point. During the last three years Austria has lost market shares in the OPEC countries and last year the exports to that area suffered a 7.4 per cent setback compared to 1977. The adverse trend continued during the first quarter of this year with the trade deficit visa-vis the OPEC states rising to Sch 1 4bn rising to Sch 1.4bn.

Nevertheless, it is still thought likely that the Research Institute's forecast of an 8.6 per cent rise in exports in real terms will be achieved. The deeper reasons for the struc-tural weakness and the lop-sided geographical distribution of exports cannot be eliminated quickly. But the experience of the last year has shown the Austrian exporters are of exploiting sales ties and offer a wide products adapted to

ing market condition if the unit labor kept lithin rency policy is n exports should sh improvement this

Brazil frost scare boosts coffee again

RENEWED FROST fears in "bull" Brazil coupled with the publifutures markets and this was cation of a higher than further encouraged by reports. expected official damage that there was a possibility of estimate following last month's frost in Brazil's southern coffee frost sent coffee prices soaring producing areas during the next again on the London futures 24 to 48 hours.

After the London market had from the 1980/81 crop which saying the cold front was still bad previously been forecast several hundred miles to the at 26m bags. Sr. Octavio Rainho, the IBC president, also Weather department sources said that the frost had cut crop expectations from 21.3m bags

The 1980/81 damage estimate is lower than the 8.5m bags forecast by some local traders immediately after the frost but it is considerably higher than more considered trade estimates which put the damage at 5-6m bags. The crop damage figure is also higher " guesses" around 1m bags.

naturally prompted a strong the next 24 to 48 hours.

The September position broke through the £2,000 a tonne level for the first time since October 1977 to end the day £151 higher at £2,024 5

They said reports of the closed on Wednesday the Brazilian Coffee Institute (IBC) weather situation in Brazil were announced that a survey of affected areas indicated that a light overnight frost in the 7 to 8m bags (60 kilos each). 7 to 8m bags (60 kilos each) southernmost coffee State of of coffee beaus had been lost Parana but others denied this.

> said the minimum overnight temperature in Londrina north Parana, was 14 deg. C.

Department sources said the cold air mass moving up from Argentina may threaten coffee States later but there was a chance that It might move out into the Atlantic rather than advance north into Parana.

But the Department nevertheless issued a frost warning covering the States of Parana IBC announcement and South Mato Grosso covering

Senate move may clear way for stock releases

up the proposed U.S. stockpile release of tin appears to have been removed. The U.S. Senate approved on Wednesday night a Bill laying down future tockpile policy.

This is a significant step in clearing the way for indivdual commodity disposal Bills, including the plan to sell surplus stockpile tin, to be put forward with a much better chance of being approved quickly. For the past two years the chairman of the Armed Services

Committee has blocked indivi-dual stockpile proposals until the overall policy has been settled.

However there is still further hurdle to be overcome. The stockpile policy, passed by the Senate, includes a special provision not included in the similar legislation aiready approved by the House of Representatives. A Senate-House conference committee will have to reconcile

the difference before the Bill comes out from Congress for signing by the President. The Senate Bill contains a three-year "sunset provision" for the special transaction fund to be set up into which receipts from stockpile sales would be

Bill the receipts would be ear-marked permanently to be used only for purchasing other items

for stockpiling. Otherwise the two Bills are much the same, calling on the Administration to hold sufficient materials to carry the U.S. through three-year war emergency and stipulating that the stockpiles are to be used only for defence purposes—not for economic or budgetary reasons. price ranges.

Congressional approval will still be for any sales or purchases Assuming the differences between the Senate and House Bills can be reconciled with the joint committee, it is expected that the Administration Bill to use stockpile time as its contribu-tion to the International Tin Council buffer stock will quickly

The proposal is that the U.S. will contribute a quantity of tin equivalent to 5,000 tonnes at the floor price. But the actual amount will be

less than 5,000 tonnes, since the U.S. is insisting that the tig should be valued at the current market price since the U.S. pub-lic would object to a "windfall" profit being given to the Tin

The final quantity to be con-

THE MAJOR obstacle holding channelled. Under the House tributed, therefore, will depend up the proposed U.S. stockpile Bill the receipts would be earrelease of tin appears to have marked permanently to be used at the time the contribution is made and how the market value

> In addition to the stockpile tin, to be contributed to the Tin Council buffer stock, there is a proposal to offer a further 30,000 tonnes for sale to relieve the present shortfall in world sup-plies that has forced tin prices well above the Tin Agreement

Apart from stockpiles, like tin and silver, deemed to be in surplus, the revised stockpile objectives call for purchases of other raw materials, below target levels, including copper. lead, zinc and rubber.

U.S. silver output lower

WASHINGTON - U.S. mine production of silver in the first quarter of 1979 totalled 9.4m roy ounces compared with 9.8m in the final quarter of 1978, the U.S. Bureau of Mines reported here yesterday.

Mine output in March totalled 3.3m ounces, up nine per cent from February.

UK butter 'mountain' increasing

BRITAIN'S MOUNTAIN of butter held in store under Common Market support arrangements is rising rapidly, and at the end of May stocks in public and private store totalled 55,000 tonnes enough

to keep the country supplied for seven weeks. The stockpile, which excludes normal reserves held in traders' own warehouses, has grown sharply since the start of the year.

More than 8,000 tonnes went taking the public stock to 44,196 tonnes, compared with 28,208 tonnes at the end of December and 10,517 tonnes at the same time last year.

Stocks held in private stores at the end of May with aid from Community storage subsidies were 10,913. But while butter surpluses grow, the stock of skimmed milk powder has been greatly

reduced. Large subsidies are paid to encourage farmers and manufacturers to incorporate this dried residue from the butter-making process animal feeds.

The Intervention Board

bought almost 43,000 tonnes of this powder last year but by the end of May the reserve had been slimmed down to 13,000

commodity pacts

BY OUR COMMODITIES STAFF

WORLD FOOD SUPPLIES

Little hope for

world markets during the next five to ten years will tend to keep down prices of grains and livestock products and increase competition among exporters. M. Albert Simantov, director of agriculture at the Organisation for Economic Co-operation and Development (OECD), told a meeting in Bruges. Belgium, yesterday.

Existing differences between domestic and international trade prices might increase, he suggested. And as long as production of major commodities remained so severely out of bal-ance: with consumption, the chances of international commodity agreements succeeding in stabilising trade would be

M. Simantov said that by the mid-1980s improvements in the Soviet Union's agricultural performance would be felt in world ever, it was expected to conever, it was expected to continue buying grain and soyabeans at present levels.

Purchases of protein products

like soya should continue to increase, and buying in general would continue to fluctuate markedly depending on the weather and the gravity of the Soviet Union's difficulties with

argest net importer of agriculural produce, was likely to

AMPLE SUPPLIES of food to imports of feedgrain and meat were expected to increase by more than previously foreseen. China was not forecast to increase its net grain imports much beyond 10m tonnes in the immediate future, but in the long run it would become more interested in livestock products and animal feed from abroad

Out put of grain from the orlds "brea basket" in the worlds U.S. and Canada could rise from 300m tonnes now to 360m tonnes by the mid-1980s, enbling these countries to increase their exports further. But since grain production in North America is forecast to rise marginally faster than demand, stocks could be expected to rise and prices could be affected by slight downward pressure.

For the Common Market, M. Simantox predicted a possible increase in food sales to Japan, Nigeria, Korea and China and possibly to the USSR if it were able to continue offering produce at bargain prices.

Washington President Carter has been given a "highly classified " report on the Soviet Union's farm industry which analyses the expected sharp fall in grain output there this year. . The chief economist of the

U.S. Department of Agriculture inadequate storage space.

U.S. Department of Agriculture

Japan, already the world's forecast this week that in the 1979-80 grain campaign the USSR could be forced to import depend on imports even more as much as 30m tonnes of

sugar pact

U.S. SUPPORT for the International Sugar Agreement remains undiminished and it will do all in its power to complete the process of ratification and participate fully, Mr. Mike Calingaert, U.S. delegate said in London vesterday.

Mr. Calingaert told the International Sugar Council "there is no real opposition to the ISA in the U.S.

"The fact that ratification remains entangled with the political dispute surrounding domestic sugar legislation is unfortunate, but it should not be viewed as an attack on the concept of our adherence to the

U.S. ratification alone would not solve all the problems facing the world sugar community, as a major issue remained the lack of progress on accession by the EEC, he said.

U.S. still backs | Fuel crisis sows seeds for black market

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE ENERGY crisis has been mainly because the Scottish empty both of water and fish so I have had time to worry.

My fears have been increased who tell that because of the are staying empty.

cerned by the effect that a continuing shortage of oil is likely to have on farms like my own which is completely dependent on the flick of a switch or the firing of an internal combustion

engine. installing a new drier depen-dent on oil fuel, which wil undoubtedly use more than my

I could possibly change it to Crops were kept clean by men much in my thoughts lately, electrical heating, but this would entail laying on a further river where I have been trying transformer to carry the and the dung from the to catch a salmon has been increasing load. This would yards was spread by hand. carry the undoubtedly double my present costs for the same results.

It is not simply a question by conversations with the locals of cost. As long as the fuel is available, means would be shortage of petrol, their holiday- found to pay for it but further hire caravans which are to them cuts in the supplies like the what oil is to the Aberdonians, 5 per cent already imposed by re staying empty. my suppliers, could make
But I am much more conthings more difficult still.

Things were easier when I was a boy. When I left school horse power. I started on a large farm in Shropshire growing grain, sugar beet, and fattening cattle. There were no tractors and the only energy sources apart from the For instance, I have just been steam engine which drove the threshing machine, were the and human muscle.

with hoes. Hay was made by hand and drawn in by horses, and the dung from the cattle

There were no weed-killing sprays or fungicides. Fertilisers were basic. Nitrogen was sulphate of ammonia from the gas industry while basic slag from the steel works produced the

The farming revolution which I have lived through over the last 50 years has been entirely due to the application of cheap energy in place of men and

There are certain obvious savings available today. The technique of a minimum cultivation where ploughing is dispensed with is one obvious solution. Ploughing an acre of land means turning over several hundred tonnes of soil, consum-Ploughing and all cultivation ing fuel and wearing-out steel, abroad among farmers that the as users compete for scarce were done with horse teams. But the weed-killers which can ancillary industries have had a supplies.

replace the plough are also to some extent based on energy

Saving energy by substituting cultivation with chemicals could have far-reaching effects on the supplying industries. Instead of using tractors of 70 to 100 horse power, much less power would be needed and implements would be few and incur little wear. I don't say that the plough will never be necessary again, but basically I've come to believe that its future is insome doubt.

There is no doubt, also, that the significant increase in energy costs which has been contained to some extent by the that fuel supplies could not be newer techniques, will eventu- rationed or made subject to prially put pressure on margins, orities because it would only This could make farmers look cause distortion and a black most seriously at other costs market. Surely the most likely such as rent, labour and general outcome of the present situation overheads. There is a feeling will be the blackest of markets

good time over the last few years and should share any belttightening that might become necessary in future.

But this is long-term. Of more important moment is the situ-ation that could rise over the next few months. Suppose the harvest is wetter than last year? Supplies of fuel have already been cut by 5 per cent. What happens when the drier or the combine havester, which is having to go in first rather than second gear, run out of fuel?

It's all very well for Howell to state, as he did in the House of Commons this week

Cut milk price call

surpluses can be reduced by cutting prices for lower qualities of milk and suspending intervention support for produce from dairies which do not Kofoed, Danish Agriculture on Monday—were "paralysing" the Community. Minister, said in Bruges.

The Minister added that production of commodities like the prices paid under Com- DKr 9.40.

THE COMMON Market's dairy munity guarantee and support Mr. Kofoed also took up the

British line that surpluses should be sold at reduced prices to EEC consumers. The Minister warned that come up to the EEC's stringent delays in fixing this year's farm standards, Mr. Niels Anker prices—the next meeting starts

Pig price up

milk and sugar, had to be BACON producers in Denmark levelled out so that farmers' have increased the price paid incomes derived from prices in to farmers for bacon pigs by the open market and not from 30 ore a kilo deadweight to

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at £822. Turnover 30.7/5 tonnes.								
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PUBLIC NOTICES

EEWFORT BONDUGH COUNCIL

13th June due 12th 1978 at 111 a. Applications B. No other Bills outstanding.

13.9.79. Issued 74.6.79.

RE COUNTY COUNCIL

pued 13th June 1979, du 1979 41 10 31-54th a dled E64m, Bills outstand

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	ð mouths . Settjem't .	7130.50	+ 10	7165-85	+ 15	Cash	262-4		<u>e</u> 359.5-81.
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	Settlem't Straits, E. New York	:31985	10000	-	Prison Prison	76.5. Afi		month: Three	£378, 7 months
			_			74.5, 74,	73.		

Morning: Standard, Cash £7,440, 30, 25, three months £7,110, High Grade, cash £7,445, Karb: Standard, three months £7,110. Attennoon: Standard, cash £7,460, £7,500, three months £7,110, 20, 40, 45, 50, 85, 60, Kerb: Standard, three months £7,150.

taking. on the entire fell owey morning late herb	rry pre-m to a lo kerb but at £630	thing arket w of ruilied .5. 1	a record forward £825 or to clos furnover	264 metro 1 th e th 9,67
LEAD	a.m. Official	+ 02	p.m. Unofficial	+
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Moming: Cash £588, three months £640, 38, 37, 38, 34, 33, Kerb: Three months £631, 27, 26, 25, 26, 27, 26, 25, 24, 25, Alternoon: Cash £568, three months £528, 23, 25, 28, 29, Kerb: Three months £528, 27, 28, 29, 30, 31 ZINC—Marginally easier owing to lack of interest which saw forward metal fall from £380 on the pre-market

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C	Official	-	Unofficial	=	COFPEE	Cl- ao	+ or Business
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erc L E	hant selli 779. oiter	ng to £777.	Turnaver	1219 4,275	cents per p 189.33 (184	ound): Oth i.17): Robu	or June 13 (U.S. or Mild Arabices rates ICA 1976 1988 179.50
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and merci kerb at (7 tonnes.	hant selli 79. eite r	ing to	Turnaver	4,275	189.1 179.0
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£782, 81, 8	90, 81, 82	Kerb	three m Three m months	anths	13 ¹ 2 Nort

NICKE -- Moved narrowly in fairly NICKEL—moved narrowly in fairly subdued and routine trading. Forward metal opened around \$3,000 and slipped back to £3,020 at which point buying thought to be on behalf of producers pushed the price back up to £3,056 on the late kerb. Turnover 312 tonnes.

3030-48 -52.5 3040-50 1-28 Marring: Three menths £2.080, £3,100, £3,050, 55, 50, 30, 40, Alternoon: Three months £3,030, 20, 25, 20, 50, 60, 60, 60, 60 terb: Three months £3,050 40.

*Cents per pound. \$5M per plcul.

† On previous unofficial close.

SILVER

Silver was fixed 5,05p en ounce higher for soot delivery in the London bullion market yesterday at 400,85p. U.S. cent equivalents of the fixing levels were: spot 842.0c, up 15.5c; six-month 870.5c, up 15.0c; six-month 870.5c, up 15.0c; and 12-month 909.3c, up 15.4c. The metal opened at 4003-4013p (843-845c) and closed at 4003-4023p (841-843c). 400.85p +8.65 401.56p+5.6 412.6p +8.8 418.4p +8.8 422.9p +8.4 442.6p +8.8

LME—Turnover 189 (248) bots of 10,000 czs. Morang: Three months 411.6, 11.7, 12.2, 12.2, 12.2, 12.2, 12.3, 12.2, Karbs: Three months 412.3, Afsemoon: Cash 401; Three months 414, 3.5, 3.3, 3.1, 3, 3.2, 3.5, Kerbs: Three montks 413.6.

COCOA COCOA

COFFEE

Robustas opened skarply higher ollowing an overnight forecast of notifier possible frost in the collect rowling regions of Brazil. Heavy short-overing oushed prices further shead in the eftenoon but was not by some load resistance selling from one per-

COFPEE	Cl-as	+ or Business
	2 per tonne	
optember fovember fovember farch fay	3084-86 2086-89 2085-88 3063-64 3065-57	+151 2100.2000 +151 2090-1990 +159 2090-1990 +159 2090-1990 +159 2070-1974 +155 2052-1996 +145 2051-1984
ICS India	989 (7,814) stor prices f	lots of 5 tonnes. or June 13 (U.S.

FRAINS

IMPORTED—Wheet: CWRS No. 1, 13³2 per cent, unquoted. U.S. Derk Morthern Spring No. 2, 14 per cent, June 96 50, July and Aug. 98.75, transhipment East Coast. U.S. Hard Whiter, 13³2 per cent, unquoted. EEC unquoted. Maise: U.S./Franch June 110.50, July 111.00, transhipment East Coast. South African White unquoted. South African White unquoted. South African Yellow Aug. 82.00 nommal. Barley: English feed iob Oct./Dec. 93.00, Jan./March 98.50, East Coast.

EEC GRAIN IMPORT LEVIES—The billowing levies and premiums are effective for July 15: in order of current levy, plus July, Aug. and Sept. premiums (with previous in brackets), all in Units of Account per tonne. Common wheat: 84.41, rest nil (87.43, 4.90. 4.90.); Duroum wheat: 140.86, rest nil (40.86, rest nil); Rye: 96.00, rest nil (96.00, rest nil); Barley: 94.92, rest nil (97.24, rest nil); Outs: 94.17, rest: nil (97.24, rest nil); Outs: 94.17, rest: nil (69.0, rest nil); Maize (ather than hybrid for eneding); 87.18, rest nil (88.34, rest nil); Buckwheat: 8.98, nist nil (6.98, rest nil); Millet: 82.77, rest nil (6.96, rest nil); Grain sorghum: 95.57, rest nil (96.57, rest nil); Plour levies—Wheat or moved wheat and rye flour: 133.51 (137.26); Rye flour: 149.17 (149.17). EEC GRAIN IMPORT LEVIES-The

M'ath close - Testenday's + or close Sept. 92.85 -0.7 87.20 +0.8 Nov. 96.60 -0.75 91.05 +0.75 2an. 100.30 +0.65 95.15 +2.0 Mar. 103.70 +0.8 +0.8 101.85 +0.86

Business done—Wheet: Sept. 92.85-92.45, Nov. 96.30-95.90 Jen. 100.25-95.30, March 103.67-103.30, May 105.90-106.60, Sales: 13-6.30, May 105.90-96.30, Nov. 91.05-90.80, Jan. 95.15-94.50, March 98.30-98.10, May 101.80-101.60, Sales: 196.

RUBBER ABOUT UNCHANGED opening on the London physical market. Little interest throughout the day, closing quietly steady. Lewis and Past reported a Malaysian godown price of 305 (same) cents a kilo (buyer, June).

Sales: 609 (419) at 15 tonaes. Physical classing prices (buyer) were: Spor 65.75p (65.0); July 70p (69.5p); August 70p (69.5p)

SOYABEAN MEAL

some stopless buying on continued rumours of further Soviet purchases. The market closed strong with contract highs in forward positions.

. 151.49-44.9 | +9.76:25.98 | 162.76:155.56 | 162.76:155.56 | 165.50:152.08 | 165.50:152.08 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50:37.9 | 167.50 Selec: 177 (101) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar):
£102,00 (seme) a tonne of for MayJune shipment. White sugar daily price
was £108.50 (£107.50).

The market declined sharply from
grernight levels following reports that
the introduction of ISA stock fee
would be postponed until the autumn.
A further smell drop occurred later
before scattered shortcovering developed at the close which enabled
most of the losses to be recovered,
reports G. Czarnikow.

Sogar
Pret: Xesterday's Trevious Boshese
Goom.
Close Close Dome

Tin car 3 mt Tungst Wolfrer Zine o 8 mo Prod

WOOL FUTURES

WOOL FUTURES

SYDNEY GREASY—Close (in order: buyer seller, business, salus), Microm Contract July 39.5, 391, 0, 391, 5395, 0, 34: 0ct. 387.0, 387.5, 399.0-387.0, 60; 0ct. 387.0, 387.5, 399.0-387.0, 60; 0ct. 389.0, 400.0, 400.5-388.5, 64; March 405.0, 405.5, 407.0-404.5, 46; March 405.0, 405.5, 407.0-404.5, 46; March 405.0, 405.5, 407.0-44; July 411.0, 412.0, 411.5-411.0, 6; Oct. 412.0, 414.0, 414.0-414.0, 1; Dec. 416.0, 419.0, 416.5-416.0, 5; Salus: 280.

LONDON GREASY—Close (in order buyer, saler), July 218.0, 228.0; Oct. 218.0, 233.0; Dec. 218.0, 238.0; March 198.0, 200.0; Get. 200.0, 201.0, 20

MEAT/VEGETABLES MEAT / VEGETABLES

SASTIMFIELD -Pance per pound. Bueft
Scotch killed sides 65.0 to 69.0, Eire
hindquarters 84.0 to 87.0, forequerters
42.0 to 44.0.

Veat: English fats 73.0 to 80.0, Detath
hinds and ends 88.0 to 102.0.

Lambs: English small 70.0. to 79.0,
medium 70.0 to 74.0, imported frozen
N2 PL 51.0 to 52.5, NZ PM 51.0 to 52.0.

Pork: English under 100 lbs 34.5 to
44.0, 100-120 lbs 34. to 43., 120-16 lbs
34.0 to 41.0.

MEAT COMMESSION — Average fatstock prices at representative markets
on June 14. GB Cettle 86.850 per
kg lw (-1.45). UK Sheep 777.3p per
lg ex dow (-2.1). GB Figs 60.1

per lg lw (-2.3). England and Wales;
Cattle numbers down 18.4 per cent, everage
price 80.220 (-0.66). Sheep
numbers down 18.4 per cent, everage
price 77.3p (-2.1). Pig numbers
down 7.1 per cent, average price 80.1p
(+2.3). Scotland: Cattle numbers 60.1p
(+2.3). Scotland: Cattle numbers 61.3p
(-3.13).

COVERT GARDEN—Prices in sterling PRICE CHANGES

CLE	CHAI	NUI	15	NEW YOR
00040 U	less othe	-wise	atatad	Cocos-July -147.20 (1
Merinda ma	H829 OUIN		era ned d	150.85 (148.80) - Osc. 155.85, May 151.05 Day
		1	1	Til.
	June 14.	-	Month	Copper—Jone : 88.50
	1979	-	390	"84.70 (84.45), Aug." 84.90
		1		Dec. 86.10, Jan. 8836,
		-		Dec. 86.10, Jan. 98.36, May 86.25, July 86.30, Dec. 86.40, Jan. 86.45, J
200	-	ı	1	Dec. 86.40, Jan. 85.45, A
				Potatoes (round white
n.um	2710/50	********	2710	(61.0), March 68.7 (68.3 May 8.96.
	\$1800/820	Out and des	2 1*200118	TRIVATE INTO SAR E
w'bar.	B 9103	±10 g	2899.5	78ilver—June 846.5 848.5 (844.0), Aug. 856.8
th man-	2023.25		£914.5	Dec. 882.4. Jan. 888.1.
Cathode .	£877.5		£888	Dec. 882.4, Jan. 886.1, May 911.1, July 922.6; Sei
th or	£903	+11.0		952.1, Jan. 957.8, March
troy az	\$278.875	+2,00	5259.57	and Harman spot 840050
DEST	£687	—8. 5.	2591.5	CHICAG
h	8529.5 83225.4 280/320a	-7.0	2506.5	Lard Chicago Spone
M-101-114-11-1	63225.4	and 260 to 2	22,725.75	York prime steam 27.50
(KA(CH(ND)	ROMISSO	000000000000000000000000000000000000000	120013000	Live Cattle—June 49.95 66.90 (77.25), Oct. 55.50
m tr'y ozi	2191		0171	
mitt y oz		19 H	2212.10	Jan. 69.00, Feb. 69350, June 71.95, Aug., 70.65,
liver	2745/66	T 2-55	8305/815	June 71.95, Aug. 70.55, Sales: 28.835,
TOV OF	400.850	+ 5.05	407.3p	
onths			419.15p	41.30 (42.17), Aug. 38.6
	_		£7.525	Dec. 38.00, Feb. 39.97. June 43.20, July 42.70, S ##Maiza—July 3831-284
be			£7.269.5	June 43.20, July 42.70. 8
ton	2137.52	4 4010		2904-291 (2844), Dec.
n 22.04 ciří			5138/48	March 309,3062, May 213
P.S. 1		-8.5	£372	March 308-308-, May 313 Plywood July 1835-0
onths	PX72 76	_2.75	# 396 F	Sept. 196.7 (193.8), Nov
MOSES	\$845 .		¥800.	198.0. March 200.4. Mar
		,	1	204.0, Sept. 204.0 asked
ut (Phil).	S1.100r		81,110 ·	Pork Bellies-July 42.92
dnut	=	#8 CG65 900		40.92 (42.92), Feb. 48.32, May 48.90, July 48.80,
d Crude.	£386 -	-	£389 \$663	Sales 2 833
Mainyan.	\$ 565)	+8.0	\$663	Sales: 7,833. Shell Eggs—June 58,40
		. "		.57.30 (57.45). Aug. 57.00.
Philip	\$715a		8720	Oct. 57.75. Nov. 62.20.
en (U.S.)	\$31 9.8 0+	+51.05	#30 5	Sales: 72.
				Silver-June 863.0-863.5
Fightres	291.05	+0.75	108.883	850.0 (847.7), Aug. 855.
				870.5-871.5, Dec. :883.5 896.5, April 907.0, June
	£110.50	*******	2111.75	828.5. Oct. 940.0 Dac
				954.0, April 975.0, June
Red Spg.	÷ ;		. 2	1000.5, Oct. 1013.0, Dec.
	P109 E		A107 E	
मध्यसम्बद्धाः	C107.5a			Armed A. Salar
1				· 富富了 、 智 。

Other commodities | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -40.8121.785 | -* Nominal: † New crop. † Unquoted. p August. f July. s July-Aug. f Jung-July. s Jung. w Sapt. y Nov. z Indicator. § Suyer.

Isrueli: Velencie Lausa 4.40-5.50: Cypriot: 5.00-5.00; Brazilian: 4.70-5.50: S. Almcan: Navels 4.30-5.60. Lamona-Italian: 100/120s 4.80-5.00; Spanis: usys 30/40/45. 2.00-2.40; S. Almcan: 4.80-6.20; Brazilian; trays 2.30-2.50. Grapetral.—S. Almcan: 24/64. 3.50-4.55: Jaffa: 4.40-4.60. Applea.—S. African: 32/64. 3.50-4.55: Jaffa: 4.40-4.60. Applea.—S. African: Granny Smith 7.30-7.80. White Winter Pearmen.—5.00, ... Starkling 5.50-6.40. Goldan Delicious 6.50-6.80. New Zeolend: Coxta 7.00-8.00, Sturmers 7.80. Golden Delicious 6.80, Red Delicious 7.30; Teamanian: Jonathens 5.20-5.50. Coxta Orange Pippina 6.60-8.00. Golden Delicious 4.00-4.50: W. Australian: Granny Smith 7.20: Victorian: 7.20-7.40; Washington: Red Delicious per box 8.00-10.00; Franch: Golden Delicious Per Delicious Per Delicious Per Delicious Per Delicious Delicious Per pound 0.05-0.03; Italian Golden Delicious per pound 0.05-0.03; Italian Golden Delicious per pound 0.05-0.08. Rome Béauty 6.07: Dutch: Golden Delicious Jumble peck 22 ib 1.30-1.40. Pears—S. Alment: Cartons Beurre Bosc b Packham's 8.20. Nelts 5.80; Chilean: Winter Nelts 6.80; Victorian: Peacham: Santa Rosss 3.50-4.50, Japa 3.00-4.00. Benance—S. Alment: Cartons Berinks 5.71. New Cross 6.00, Emparor 5.20-5.74. Almeric 5.80; Israeli: Periette 4.00; Cypriot: Cardinal. per pound 0.50. Peaches—Spanish: DrC/Ba 2.30-3.50; Italian: 3.00-4.00. Apricota—Spanish: 5.00-5.50. Strawberries—Italian: approx. 7-10. penches—Spanish: 0.17-0.20. Cherries—Franch: per pound 0.35-0.40; Italian: 3.00-3.50. Cusbese—Dutch: 20-3.00; Dutch: 2.90-3.00; Guerney: 28-0.3.00; Dutch: 5.50-2.50; Peaches—Canary: 4.50; Israeli: 3.60-3.50; Capbages—Dutch: 4.50; Canary: 4.50; Britany: 4.50; Capbages—Dutch: 2.90-3.00; Dutch: 2.90-3.00; Guerney: 28-0.3.00; Dutch: 2.90-3.00; Guerney: 28-0.3.00; Dutch: 5.50; Graek: 3.30; Italian: 3.50-3.60; Spenish: Malorcue: 3.50-4.00; Britany: 4.

AMERICAN MARKETS

18K, June 14, (145.55), Sept. 186.56, March 28.20, March 28.20, March 28.21, March 28.20, March 28.21, May 27.23.00.224.00, Sept. 28.35, April nii, 19.23.00.224.00, Sept. 28.36, April nii, 19.23.00.224.00, Sept. 28.36, April nii, 19.23.00.224.00, Sept. 28.36, April nii, 19.23.00.224.00, Sept. 27.55.27.00, July 27.05.27.70, Jun. 27.70, March 27.80, May 27.80.28, Sept. 28.32, March 28.32, March 28.32, Aug. 28.00, July 28.00.28.10, Aug. 28.00, July 28.00.28.10, Aug. 28.00. (841:8), July 27.65-27.70, Jan. 27.70, March 27.80, March 399.8, ispr: 834.1, Dac. 398.3, Henby 6 1830.00).
(800, June 14. 474. bd (4274.), Dec. 4584-4584 bid. March 4574-4674 b

Wednesday's closing prices

NEW YORK, June 13; (66.12), Oct. 85.59-86.80 (66.33), Dec. Cocce—July 145.55 (149.55), Sept. 64.35-84.40, Mar. 65.10, May 66.00, 163.70, May 154.80 (152.75), Dec. 152.36, March July 67.00 bid-67.25 asked, Oct. 66.75 Mil. May 154.80, July 155.80, Sept. Did. Cotton—No. 2: puly 87.10-67.20 (895.00 to 715.00) to 720.00 asked

EUROPEAN MARKETS

U.S. No. 2 Dark Herd Winter wheat.

13.5 per cant. July \$191. U.S. Hard Winter wheat.

13.5 per cant. July \$191. U.S. Hard Winter wheat.

13.6 per cant. July \$191. U.S. Hard Winter wheat.

13.6 per cant. July \$191. U.S. Hard Winter wheat. June \$194. Sept. \$255. June \$256. Ju

INDICES FINANCIAL TIMES June II June 12M nth ago Year ago 296.83 293.92 276.09 247.23

June 18 June 12 M'nth ago Year ago

1091.9 1090.2 1062.8 925.1

DOW JONES Dow | June | June | Month | Year | Jones | 13 | 12 | ago | ago Spot ...409.55.412.70.587.67.586.91 F ture 418.97.416.92.595.76.548.35 (Average 1924.65-26=100)

3.50. Cerrota—Cypriot: 28 ib 3.50-3.60; Italian: approx. 18-22 ib 2.50-2.80; Texas; ser pound: 9.15; France: 12 kilos 3.40, Asparagus—Californian: per pound 0.90-1.00. Meions—Israeli: Yellow 8.00; Spanish: smell trays. green: 2.30-3.00. Westermelons—Israeli: 4/8s 3.40-3.70. Gooseberstes—Hungarian; per 6 kilo box 1.00.

door 0 03-0.05. Tomstoes—per 12 lb 2.80-2.90. Cucumbers—tray 8/18s 1.80-2.20, pre-pack 2.40-2.60. Cauliflowers—12a Kent 4.00-5.50. Lincold 2.50-3.00. Spring greens—per crate Kent 1.25-1.30. Asperagus—per pound 0.70-1.20. Celery—boxes 12/30a 3.30-4.50. Straw-barries—per 1 lb 0.25-0.30.

£

June 14 June 13 M nth ago! Year ago 1635.5 1622.9 1567.9 1496.2

(Base: September 48, 1931=100)

regists rodocs: rototos—new crop per 25 kg 2.50-3.30. Lettuces—per 12 round 0.71 Cos 1.00-1.20. Mushrooms—per pound 0.75 0.04-0.50. Apples—per pound Rramlay 0.04-0.8. Bestroots—per 28.1b 1.00. long 1.30. Rhubars—per jound dita

LIVERPOOL COTTON—Spot and ship, ment sales in Liverpool amounted to 50 tonnes, bringing the total for the week so far to 213 tonnes. Modeese with Latin American and Aincan styles predominating.

هكذا من الملاجل

FINANCIAL TIMES STOCK INDICES

Market downslide continues with emphasis on equities Index loses 14.7 to 474.2 and Gilts fall £1½ more

trend in both equities and Gillicont rate by the autumn, and edged was sharply lower again.

Losses in the latter sector were not on the previous day's scale, but still extended to 1! points also contributed to the rout in Leading shares, on the hand, sustained larger falls than on Wednes-day and the FT 30-share index dropped 14.7 for a two-day fall of 27.2 to 474.3. The index has

Exircise Glosing price Offer Vol.

markets. Interest rate concern applied particularly to the Giltedged sector where yields on longer-dated stocks now range to 13 per cent.

Trade in long-dated Gilts was thus plunged 84.4, or 15 per cent. much reduced and the recently-from its May 4 record high. much reduced and the recently-

LONDON TRADED OPTIONS

Yesterday's SE conversion factor was 0.8922 (0.8908).

Banks fall further

Despite rallying a penny or so in the early afternoon on the expected rises of 2 to 14 per cent in base lending rates, the major clearing banks reflected the surrounding gloom with fresh fails to 10. Barclays closed that much off at 440p, after 438p. remained depressed by the decline in the investment currency premium and falls of 3 and 2 points Algemene, £87, and Deutsche, £751. Merchant banks came on offer with Schroders closing 30 Messrs. Wouldiff, Henton, Frazer, down at 510p and Hill Samuel and Binns have between them Warrants 125 off at 350p. acquired a near 30 per cent Hambros dipped 12 more to 282p. stake in the group from the The trend towards dearer money overshadowed Hire Purchases.

Sellers were again in command in the Brewery sector.

Bass fell 7 to 206p and Whithread "A" 4 to 119p following news that the two companies had agreed to freeze pub beer until January. Elsewhere, Distillers reacted 6 more to 211p and Highland 5 further to 101p. while invergordon gave up 7 to

The cut in the support trant to local authorities and fears of increased mortgages took a further toll on Building issues where the effects of some fairly sizeable selling was apparent Binc Circle fell 16 to 298p, while 354p before London Brick shed 4 to 66p and a fall of 9. Taylor Woodrow declined 14 for a two-day fall of 39 to 366p. George Wimpey came on offer and dropped 7 to 74p and John Mowlem ended 5 off at 102p. after 100p. Disappointing annual staveley, already a dull market results left William Leech with a fall of 11 to 96p and, following annual results to close 26 down the AGM, Laing A gave up 5 to at 300p. Averys dipped 18 to 60p. International Timber, over-shadowed by the £8.3m rights British Aluminium, 240p, fell 15 Issue, lost 7 for a two-day fall of spiece. Baker Perkins, a recent 13 to 121p, while recently-firm speculative counter, lost 9 to

that the steeper-than-expected rise in VAT, due to become operative on Monday, will adversely affect sales, Gussles A lest 16 more to 35Sp and Burton A. 240p, and W. H. Smith A. 184p, declined 8 apiece. House of Fraser relinquished 6 to 169p and Marks and Spencer ended 5 cheaper at 107p. Elsewhere, fulls of between 10 and 15 were sustained by MFL, 118p, Comet Radiovision. 128p. Lee Cooper. 275p and Bambers, 135p. Combined English gave up 6 to 128p and H. Samuel A dipped 7 to 238p. By way of contrast. W. Goodkind jumped 18 more for respectively were sustained by a two-day advance of 33 to 50p Algemene, £87, and Deutsche, on further consideration of £751. Merchant banks came on Wednesday's disclosure that and Binns have between them acquired a near 30 per cent stake in the group from the Gnodkind Family Trusts at a price of 18p per share. Shoes lost ground with K closing 7 of

> hand in the Electrical sector recorded further wide-losses. Decea "A" remained a particularly weak mar-ket at 268p, down 17, while Electrocomponents also stood out with a fall of 18 to 448p. MR fell 11 to 202p and Electronic Rentals 8 to 192p. Against the trend, Chloride managed a penny rise to 90p in response to the good results. Among the leaders. GEC weakened afresh to 354p before settling at 356p for

68p and Ward White 6 lower

Sellers again held the unper

Fairly persistent selling of a widespread setback in prices. Among the outstanding falls,

Account Dealing Dates
Option

Fart of the pressure on countries came from some of the smaller institutions which. If The shorts maintained a 200d although highly bullish only a calloung a 11 June 12 June 13 June 13 June 23 June 14 June 15 June 25 June 28 June 29 July 10 July 2 July 13 July 23 Iuly 25 Iuly 15 July 25 Iuly 25 fall of 16 at 140p. Cullens issues came on offer, the Ordinary and A falling around 20 apiece to A langer around 20 apiece to the common price of 114p. Bernard Matthews, at 259p, gave back 9 more of its recent specu-lative gain.

Leading Hotels and Caterers continued lower with Grand Netropolitan 5 of at 1370 and

continued lower with Grand Netropolitan 5 off at 137p and the new all paid a like amount down at 10p premium. Trust Houses Forte shed 8 to 154p and Ladbroke gave up 10 for a two-day loss of 20 to 196p.

Eng. China dull

Secondary issues bore the main brunt of the selling in miscellaneous Industrials yesterday. As a result, double losses were commonplace by the close and losses of between 12 and 20 were sustained by De La Rue, 475p, Caplan Profile, 215p, Diploma Investments, 273p. BTR, 300p, Sharna Ware, 172p and Vinten, 143p. English China Clays reflected disappointing results with a reaction of 11 to S4p, while Valor fell 9 to 74p despite the higher profits and proposed 20 per cent scrip-issue. Applied Computer dipped 15 to 170p following the reand Braby Leslie gave up 5 to 88p on disappointing annual figures. Following news of the abortive bid discussions, Barget returned from suspension and, at 23p, closed 5 down on the suspension price. Still partly concerned about the possible sale of the NEB's 2442 per cent shareholding, ICL relinquished 10 more to 468p. The leaders remained dull with concern Engineering shares found the remained dull with concern market unwilling and resulted in about overseas earnings in the wake of the fresh rise in sterling prompting further selling of Beecham and Reckitt and Colman; the former fell 12 to a 1979 low of 533p and the latter ended 20 off at 445p. Holiday concerns came under pressure, Horizon Midiands

shedding 11 to 205p and Saga 13 to 121p, while recently-firm speculative counter, lost 9 to easing 7 to 151p. Elsewhere in Burnett and Hallamshire relip-154p. Whitehouse reacted 13 to the Leisure sector, Barr and quished 12 to 385p. Second 185p, while falls of 8 were Wallace Araeld Trust A fell 11 Golds improve

for a two-day fall of 25 to 115p. Still depressed by the reduced allowance for leased cars, Motors Distributors gave further ground Despite an investment recom mendation, T. Cowie shed 34 to 43p. T. C. Harrison remained on offer and lost 7 to 134p, while falls of 5 were marked against Adams and Gibbon, 69p, and

Adams and Gibbon, 69p, and Appleyard, 80p. In Commercial Vehicles, E.R.F. shed 9 to 103p. Falls among leading Newspaper issues ranged to 10, while in Paper/Printings, McCorquodale relinquished 11 to 107p. The Chancellor's dearer money policy continued to weigh on Properties which sustained moderate falls. Land Securities eased 4 to 280p, MEPC 5 to 156p eased 4 to 280p. MEPC 5 to 156p and British Land 31 to 65p. Haslemere were lowered 12 to 3000 and, awaiting the annual results, Great Portland Estates slipped 4 to 286p. Secondary issues encountered renewed selling with Property and Reversionary A. 420p. and Warnford Investments, 405p. losing 15 apiece. Control Securities eased a name to 40p following the a penny to 40p following the annual results and accompanying rights issue, details, but the increased interim dividend prompted a gain of 22 to 345p in Corn Exchange.

BP weaken afresh

Oil shares encountered further selling before staging a modest rally to close a few pence above the worst. British Petroleum, however, remained over-shadowed by the pending sale by the Covernment of further parts of its holding in the company and ended around the day's lowest at 1,138p, down 28p. In comparison, Sheli were a relatively steady market at 358p, down 4, after 356p. Among secondary issues, Ultramar touched 282p before settling only 2 of an the day at 288p, while 2 off on the day at 288p, while Oil Exploration finished 8 cheaper at 254p, after 250p.
Among Financials, Robert Among Financials Robert Kitchen Taylor reacted 8 further

to 175p on the cautious second-half profits statement. Shippings followed the general trend, P. and O. Deferred fell 4j to 90jp, while Walter Runciman, 69p, and Furness Withy, 286p, reacted 10 and 7 respectively. British and Commonwealth lost 6 to 358p

following the annual results. Sellers became increasingly evident in the Textile sector. Interest in Traded Options waned with 934 contracts com-pleted compared with the pre-vious day's 1,269. Grand Met. attracted a fair business and recorded 209 deals, while GEC and RTZ recorded 115 and 111

South African Golds managed

70.44 71.15 72.85 72.85 73.60 73.16 70.5 72.44 72.77 74.37 74.48 75.00 75.13 72.55 Fixed Interest . . 501.4 503.9 503.2 514.0 469 2 Industrial 177.2 174.5 200.9 204.8 201.8 205.5 157.0 158,1 155,4 163,8 169,5 164,7 165,7 104,7 Gold Mines(Ex-5 pmi 6.21 6.04 5.88 5.84 5.84 5.73 5.63 Ord. Div. Yield 6.21 6.04 5.88 5.84 5.84 5.75 5.64 Earnings, Yid. 2 (Tuli) 16.84 15.90 15.48 15.39 15.39 15.08 16.43 7.82 8.04 8.27 8.32 8.32 8.49 P/E Ratio (net) (*). 20,375 20.648; 15,583, 17,722 16,883 16,756 Total barga ins 123,51, 62.06 69.39 99.02 90.97 64.71 Equity turnover £m. ! --**— 15,824 11.837 14,576 14,362 14,231 16.122** Equity bargains total 10 am 484.2. 11 am 476.0.. Noon 477.5. 1 pm 477.7.
2 pm477.4. 3 pm 476.2.
Latest Index 01-246 8026.
**Nii = 7.52.

Basis 100 Govt. Secs. 15/10/28. Fixed Int. 1928. Industrial Ord
1/7/35. Gold Mines 12/9/55. Ex \$ premium index started June, 1972.
SE Activity July-Dec. 1942. S.E. ACTIVITY HIGHS AND LOWS 1979 Since Compilat'n June | June 14 | 13 High | Low | High | Low 150.4 50.53 (28/11/47) (6/1/75)

558.5 49.4 (4/6/79) (26/6/40)

442.5 43.5 (22/6/76) (26/10/71)

337.1 54.3 (\$4/74) (25/8/76)

a modest recovery after Wednesday's sharp fall, despite the continuing uncertainty surroundinvestment currency

Gold Mines 159.5 (8/6)

120.0 (17/4)

95.2 (2/11)

premium. marked sharply at the outset, reflecting a strong overnight American demand and the higher bullion price, and continued to improve throughout the day following

Continental support, The Gold Mines index reclaimed 2.7 to 177.2 and the ex-premium index recovered a like amount to 158.1. Among heavyweights, Western Holdings were prominent with a † rise to £18‡, while gains of ‡ were common to Vaai Reefs, £16 and Free State Geduld, £131. On the other hand, Randfontein dipped 1 to £27 in front of the dividend declaration which was not known during market hours.

In medium and lower-priced issues, good rallies were made by Kloof, 28 higher at 694p. Libanon, 21 better at 667p and Blyvoor, which regained 17 to 358p. Western Areas, however, eased 3 to 157p in front of the lower-than-expected dividend. Renewed weakness in the UK equity market prompted further selling of London Financials. Gold Fields fell 7 more to 238p—a two-day loss of 21—wille

Rio Tinto-Zine gave up 6 at 294p and Charter 3 at 144p. A decline in overnight domestic markets coupled with the uncertain outlook for the investment premium left. Australians showing widespread losses. New 1979 lows were registered by Peko-Wallsend, 14 down at 290p, Western Mining, 11 cheaper at 128p and Conzinc

NEW HIGHS AND LOWS FOR 1979

NEW BIGHS (7)

ot Lethem BUILDINGS (?) on Matthey Redfern Nat. Glass Group Routledge Kecian P. PROPERTY (1)



LITEURE (3)
MOTORS (3)
PAPER & PENITING (5)
PROPERTY (3)
SOUTH AFRICANE (1)
TEXTILES (73)
TOBACCOS (3)
TRUITS (32) OVERSEAS TRADERS (5) MINES (9) RISES AND FALLS

YESTERDAY 78816 | 1997



Imperial Gp Imperial Gp RTZ RTZ

Record year for Farnell Electronics

148p

356p

2820

91p

5

February

: 41

Results for the ye	Results for the year ended 31st January						
	1979	1978					
• •	£000's	£000's					
Sales	22,249	18,215					
Profit before tax	4,050	3,116					
Profit after tax	1,929	1,568					
Earnings per share	31.10p	23.66p					
Dividend per share	7.37p	6.60p					
Times covered	4.22	3.58					
Asset value per share	156p	126p					
3 for	2 scrip issue						

66 All sectors made a positive contribution to Group Profit and all are expected to maintain or improve their position in the coming year. Your Board is confident of continuing growth in future years.

R. KIDD, B.Sc., Chairman

Fernell Electronic Components Ltd. a specialist company in the distribution of electronic components to Manufacturers, Research and

Group Trading Companies

Farnell Audio Visual Ltd. B.B.H. Coil & Transformer Manufacturing Co. Ltd. Farnell International Instruments Ltd.

Copies of the Report and Accounts and catalogues of the trading companies are evaluble from The Secretary, Famell Electronics Limited, Famell House, 81 Kirkstall Road, Leeds 153 THR.

OPTIONS

DEALING DATES Last Deal- Declara- Settleings tion ment May 30 Jun. 11 Aug. 23 Sep. 4 Consolidated Gold Fields, Jun. 12 Jun. 25 Sep. 6 Sep. 18 Status Discount, GEC, Mams Jun. 26 July 9 Sep. 20 Oct. 2 and Charterhall. Bath

Share Information Service of Shell Transport, Britannia Burmah Oil, Charterball, Tezer Arrow, Levez, Town and City Kemsley and Harmony Gold.

Rustenburg, Jardine Matheson Burmah Oil, MFI (Furniture), Kitchen Queen, British Land, For rate indications see end of were dealt in for the put, while Share Information Service double options were arranged money was given for the call in Consolidated Gold Fields

ACTIVE STOCKS

	Denomina-	OT .	Closing	Change	1848	18(8	ı
Stock	tion m	arks	price (p)	on day	high	low	I
BP	£1	15	1,136	-28	1,246	882	j
BAT Inds	25p	12	263	- 6	362	263	ı
P & O Defd	£1	11	901	- 41	104	71	ı
Shell Transport	25p	10	358	- 4	402	278	ı
GEC	25p	9	356	- 9	456	311	ĺ
Grand Met. 'Ne	w' Nil/pd.	9	10pm	- 5	16pm	10pm	Į
Barclays Bank	£1	8	440	-10	514	360	ı
Beecham	2 5p	8	533	-12	755	533	ı
Burmah Oil	, £1	8	132	- 6	134	82	ı
MFI Furniture	10p	8	118	-10	138	54	ı
Metal Box	£1	8	296	- 2	358	294	ı
RTZ	23p	8.	294	- 6	362	226	ı
Unilever		8	592	- 4	680	520	ŀ
Glaro		7	455	- 7	600	455	į
ICI	£1	7	355	5	415	346	ı
							4

RECENT ISSUES

EQ	U	T	ΙE	S
_		-	_	_

fisite . Price .	Paid Up	1979 High Low	Stock	Prior Prior	+01.50	Times Covered Gross Vield P.E.
1115 . I	F.P. — F.P. 22:6 F.P. 22:6	207 12712 F	& Q (Retaill 6p (Baker (John) ulcrum liw. I ncome Do. Capital 2 ¹ 2p lock Darham	185 611 ₂	—à ; 12,0	2.8 3.216.3 - 9.7 - - 11.6 -

FIXED INTEREST STOCKS

Pride Pride Pride Pride Up	1979 High: Low	Etock St. + or
100 F.P. 27.7 100 — 26.6 100 £10 30,8 100 F.P. 11.5	2pm 12pm 12 10 1181- 105	How'rd Wyndh'm 92 Crw. Gum. Red. Prf. 171gp —12 Kwik-Fit (Tyres) 83 Crw. Ln, 1979/85
		THE RESERVE OF THE PARTY OF THE

"RIGHTS" OFFERS

ue ice	un nut	Late Renu Dat	nc.	197	9	· Stock	
på	₹₫.			High I	Low		50
624500805505853	F.P. Nil F.P	1.6 22.6 22.6 1.6 11.6 15.6 4.6 18.6 23.5	29/6 37/7 20:7 29:6 2:7:27:7 13:7 6:7 9:7:13:7	16pm 15½ 27pm 36pm 33½ 126 26pm 136 296 156 507 7pm	10pm 9 15pm 16;pm 40pm 29 100 24pm 124 272 142 470 14pm 210	Edwards (Louis C.) Grand Metropolitan Hampton Trust MEPC P. M.A. Holdings Peterson Tennant Provincial Laundries Pullman R. & J. Sockeros Scot. Net. Prop. Sinnon Engineering Smurfit (Jefferson: Standard Chartered Bank. Titting Thomass [Tricentro] LDS. Wocks Associates	10pm -8 15pm 27pm -2 40pm 382 100 -8 24pm -1 124 -2 272 -5 142 -812 470 -8 1pm 220 -6 9x -1

FT-ACTUARIES SHARE INDICES

These indices are the Joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

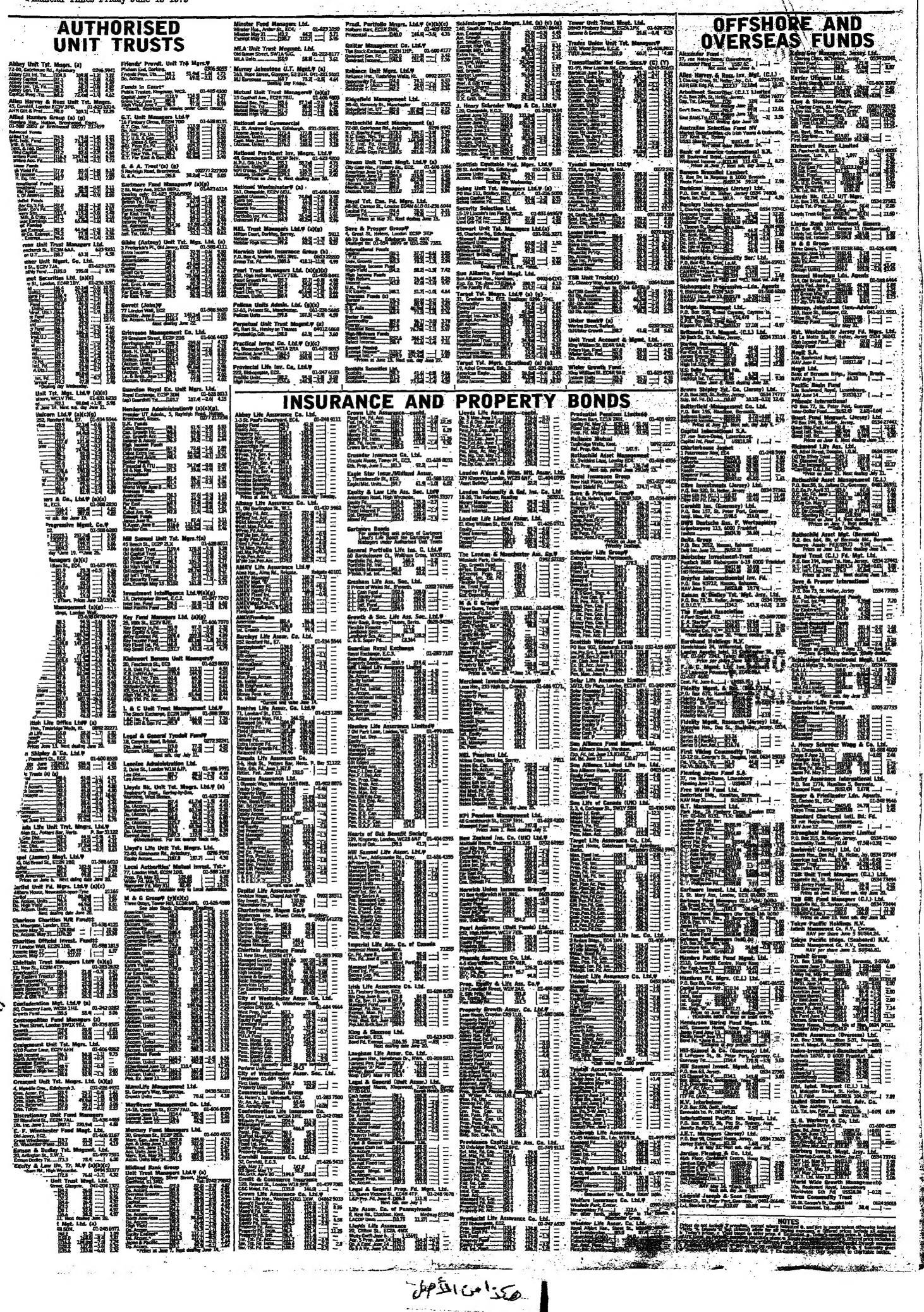
				441	_ = = =									
EQUITY GROUPS					urs.,	June	14,	19	79	Wed., June 13	Tues., June 12	Mon., June 11	Fri.,	Year isyn (approx.)
& SUB-SECTIONS Figures in parentheses show number of stocks per section				Index Ka.	Day's Change	Est. Earning Yheid ? (Mass.)	Yiel	055 fs. d % (CT (3%)	Est. P/E Ratio (Net)	index No.	Index No.	Index No.	Index No.	lindex No.
1	CAPITAL SOODS (17	2)		46.12	-2.9	17.3		.71	7.56	253.46	262.01	261.01	263.45	213.99
2	Building Materials (27	7	2	30.56	-3.5	17.43		.05	7.65	239,01	247.34	246.53 460.35	248.96 401.86	345.60
3		Contracting, Construction (28)		62.34	-5.4	24.0		.98	5.07	585.62 593.20	490.01 616.69	614 17	617.37	453.19
4	Electricals (14)	48.44		273	-2.1 -2.1	13.39		29	19.25	371.38	387.43	386.38	393.38	318.56
5	Engineering Contracto	75 (IZ)		63.48 86.79	-3.0	17.77		24	7.34	192.56	297.54	198.83	198.86	174.89
6	Mechanical Engineeri Metals and Metal For			71.17	-2.0	18,86		ا مد	6.65	174.78	178.91	179.53	180.27	163.35
	CONSUMER COURS					}							1	I
11	(OURABLE) (52)			30.34	-1.9	25.06		.75	8.78	234,71	242.62	242.94	244.58	198.55
12	LL. Electronics, Radio,	TV (36)		13.46	-1.7	11.71		.40	11_95	31924	329.72	329.25	332,53	233.67
В	Household Goods (12)		[]	M3.42	-1.8	17.30		32	· 7.83	168.65 128.44	171_49 124_82	171.74	173.69 125.57	179.81 125.46
14	Motors and Distributor]]	17.87	-2.1	21.90	' '		2.31	1200,494	344.82	163.13	12357	163/10
21	(NON-DURABLE) (1)		١,	31.38	-28	1638	8 5	15	7.91	237.96	20.72	244.53	245.00	200.77
22				266.30	-25	1529		JAD	8.00	273,18	278:67	275.27	279.A5	228.69
23	Wines and Spirits (6).			9L51	-2.9	15.72		.01	9.27	307.78	316.31	304,92	305.43	256.51
24	Entertainment, Cateri	ng (17)] 3	25.32	-3.7	15.32		.75	8.64	317.07	320.84	337.00	316.86	23.00
25	Food Manufacturing (19)		215.60	-1.8	18.32		29	6.78	219.52	225.43	225.36	227.49	198.61
26	Food Retailing (25)	45.00		90.93	-23 -28	11.35 22.27		116	21.67 6.37	297.71 439.07	302.71 445.63	301.41 445.11	302.86 N48.65	202.48 376.42
32 33	Newspapers, Publishin Packaging and Paper	妈(比)		126.75 132.19	-23	21.5		43	6.03	135.26	138.54	140.04	142.63	135.04
35 34	Stores (41)			30.45	-35	12.7		41	11.02	238.82	365.10	251.66		177,15
35	Textiles(23)	odedetaptes of som		65.75	-3.0	ZL33		47	6,12	179,84	176.37	177.25	177.53	180.34
ž	Tobaccos (3)			732.55	-17	24.40		1.85	4.70	236.61	243.88	241.51	240.03	246.83
77	Toys and Games (6)			13.27	-5.0	30.8		27	3,88	77.09	79.37	79.37	79.02	
ı.	OTHER GROUPS (99)	2	02.64	-2.8	15.64		31	7.91. 6.58	208.42	213,86	214.31	215.42	197.74
12	Chemicals (18)			285.11 219.43	-22 -24	17.7	3 3	.90 .20	9.94	292.66 224.73	299.65 231 31	299.77 231.16	302.31 230.82	284.81 257.16
63 64	Office Equipment (6)			27.42	-0.9	16.8		176	7.47	122.47	128.06	128.26		132.77
15	Shipping (10)			35.97	-3.6	10.3		.82	13.00	473.23	484.16	487.00		419.95
46	Mixcellaneous (58)			239.73	-3,6	16.17		.15	8.07	240.78	254.64	35.75	257.48	203.41
49	INDUSTRIAL GROUP	P(494)		35.13	-2.7	16.2		34	7.88	241.74	248.45	248.91	249.94	209.99
51	01ls(6)			39.58	-1.8	123		.43	8,62		667.03			
59	500 SHARE INDEX FINANCIAL GROUP			267.88	-2.6	15.5			W,00		282.40		1	
61	FINANCIAL GROUP	(115)		89.26	-2.1	-		.58		193.29	198.36			
62	Banks(6)			45.31	-2.5	28,79		24 B1	4.49	272	247.25			
63 64	Discount Houses (10). Hire Purchase (5)			166.64	-2.5	19,9		42	6.46	245.27 179.85	248.53 152.74			
65				58.13	-1.5			.72	4.40	160.48	161.45	160.51		
35	Insurance (Life) (10). Insurance (Composite) (B)	1	24.11	-2.2		1 2	7.68	-	126.85	129.05			
67	Insurance Brokers (10	3)	12	274.52	-13	183		k.97	7.82	278.17	287.19	285.53	287.52	
68	Merchant Banks (14).			97,34	-2.7	3.2		5.52		99.99	102.36			
69	Property (42)			533.57 120.57	-1.9 -2.2	15.4		1.73 7.73	47.98 8.30	340.19 123.29	347.17	351.57 125.23	124.34	
20	Mexicaneous (10) Investment Trusts (12	15		214.94		1 22,77		.13	9.30	21936	124.54 222.10			
#I	Mining Finance (4)	4,		128.75	-22	15.5			7.83	131.64	137.36			
91	Overseas Traders (20))		355.80				731	8.08	365.33	370.97			
99	Overseas Traders (20) ALL-SHARE INDEX	(750)		46.40	-25	7 =	13	5.50	_	252.60			260.97	
_								-	VEN 145					
	FIXED INT	F0FF7 0	Dire i	MADOE				£ 12	YIEL	TEREST DS	1	Thurs.,	Wed.,	Year
	Styre thus	Eneal P	KILL D	HOY LE	-	- 1		Br. (Gross Rec	ιĺ	June 14	June 13	ago (approx.
_										•				feelu err
		Thurs.	Day's	-	ad. a	d adi.		.OW		5 years		19.76	10.62	8.79
	British Government	-June	change			1979	2 0) defau	D-	15 years		11.22	31.06	10.84

	FIXED INT			YIELDS	;		Thurs., June 14	Wed., June 13	Ado ago (sphrok')				
-	British Government		Day's change	nd adj. today			Low Compans	5 years			19.76 11.21 11.66	10.62 21.06 11.50	8.70 10.84 11.53
1 2	Under 5 years	103.66	-0.47 -1.65	_	454 5(4)	4 5 6	Medium Coupurs	- 15	years years years		12.56 12.65 12.64	12.29 12.48 12.48	11.21 12.04 12.26
3	Quer 15 years	319.78 127.60	-115 -116	8.24	5.7% 6.36	7 8 9	High Coupons	15	years years		12.88 12.98 12.95	12.59 12.59 12.78	11.46 12.55 12.85
5_	A# 5000s	111.71	-0.88	9.09	5.32	_	Irredeero			[11.50	11.34	11.59
	Tues., June 14 Ward. Tues. Mon. Fri. Thurs. Wed. Tues. June June June June June June June June												J- Ť

Index Yield 15 12 11 8 7 6 15 20-yr, Red. Deb & Loans (15) | 58.40 | 12.71 | 58.55 | 59.54 | 59.57 | 59.71 | 59.66 | 60.19 16 Investment Trust Prefs (15) 48.98 14.18 50.15 51.78 51.78 51.78 51.82 52.37 5... 17 Coml and Indl. Prefs. (20) 70.04 15.44 70.29 72.89 73.04 73.43 73.43 73.80

t Redemption yield. Highs and lows record, base dates and values and constitution issues. A list of the constituents is available from the Publishers, the Firmon Street, London, EC4P 4BY, price 13p, by post 22p.

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INTERNATIONAL BANK

85 | 80 | 5pc Stock 777-82 | 81½ | -½ | 6.11 | 12.18

LOANS
Public Board and Ind.

66 | 56 | Agric. Mt. 5pc '59.89 | 611.55 | +12 | 8.10 | 21.51 |

72 | 75 | Akan 101.5pc '89.94 | 321.5m | -12 | 12.65 | 13.10 |

301-2 | 261-2 | Met. Wr. 30c '8' | 27 | 11.44 | 13.27 |

129 | 117 | U.S. M.C. 9pc 1982 | 119sd | -1 | 7.56 | -7 |

75 | 67 | De. without Warrants | 87st | 11.00 | 12.96

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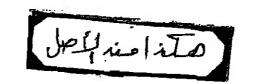
CHEMICALS, PLASTICS

| Alignate Incls. | 720 | 25 | 4.6 | 4.0 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 325 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 32

ENGINEERING
MACHINE TOOLS

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A.P.V. 509 124 -2 4023
B.D. A' 67 -3 4023
B.D. A' 67 -3 4023
Advert Group 368 -10 1110
Alcan Aluminium. 153
Allen (E) Balfour 64 +12

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FINANCIAL TIMES

Friday June 15 1979



OECD chiefs demand Botha removes his tighter energy control

BY ROBERT MAUTHNER IN PARIS

to conserve oil and to step up mic change. If they did, straightproduction of alternative forward attempts to raise the
sources of energy was stressed level of economic activity by
by all Ministers yesterday at priming the demand pump
the annual meeting of the would probably be dissipated in
Organisation for Economic Cohigher inflation.

Over the last five or six years

inflation and raise unemploy-ment in the Western world.

"The choice is not been accompanied by an inflation rate of over 12 per cent.

"Until me con 1..."

between growth with conserva- in wages and salaries is tion and low growth with high increased production, any signi-inflation," Mr. Blumenthal said. Scant loosening of fiscal and There is considerable danger monetary policies is more likely that we will enter 1980 facing over the medium term to desoil import bills that will repre- troy jobs than it is to create sent a severe challenge to our them. ability to stabilise our economics and maintain respectable tance of the U.S. to accept the

THE NEED for greater efforts not be allowed to inhibit econo- take the same view as higher

Organisation for Economic Cooperation and Development's
Ministerial Council.

Fears of a looming recession
overshadowed the 24-nation conference, which was warned by
Mr. Michael Blumenthal, U.S.
Treasury Secretary, that further
increases in oil prices would
reduce real incomes exacerbate

higher inflation.

Over the last five or six years,
significant inflationary pressures had emerged at lower
thresholds of capacity utilisation. Since 1973, growth of
only slightly more than 2.5 per
cent a year in the industrialised
countries had been accompanied
by an inflation.

"The choice is not between understand that the only sus-growth and inflation, it is tainable basis for real increases

In a reference to the relucrates of growth."

Sir Geoffrey Howe, Chancellor of the Exchequer, argued that structural rigidities should right people were entitled to

Minister of Police in Cabinet shuffle

MR. P. W. BOTHA, the South party, the most powerful sec-

The major casualty of the reshuffle is Mr. Jimmy Kruger, the controversial and undiplomatic Minister of Police. The most significant newcomer is Dr. Advisor Translater Leader of the control of the cont Andries Treurnicht, leader of the conservative wing of the ruling National Party. At the same time Mr. Botha has begun a major reorganisation of the economic and industrial port-

folios in the Cabinet.
Underlying the changes is the departure of some key figures from the Vorster era, and notable promotion for Mr. Botha's closest supporters, including Mr. Chris Hennis, Minister of Economic Affairs, and Dr. L. A. P. A. Munnik, administra-

tor of the Cape Province. Mr. Kruger's removal has been expected for some time, since he backed Mr. Botha's rival. Dr. Connie Mulder, for portfolio, and callous reaction to the international outcry over as a so the death in detention of Mr. Steve Biko, the black leader, bitterly. may have contributed to his removal. He is pushed upstairs Justice and Police, are split to become President of the

Dr. Treurnicht's promotion to the Cabinet was also inevitable,

BY NICK GARNETT, LABOUR STAFF

African Prime Minister, yester-day carried out a major overhaul with strong grass roots' support. of his Cabinet to reinforce his But Mr. Botha has put him into position in the wake of the resig-nation of Mr. John Vorster, as President. the politically irrelevant port-folios of Public Works, Statistics and Tourism, where he will be hard put to pose any

> On the economic front, perhaps the most dramatic promo-tion is that of Mr. F. W. de Klerk, hitherto the most junior Cabinet member, to become Minister of Mines and Energy. two key roles in the present energy crisis. Mr. Heunis, who is Mr. Botha's lieutenant in the Cape wing of the National Party, is promoted to Minister of Transport.

His predecessor, Mr. Louwrens Muller. resigned earlier in the day after failing to win the National Party nomination for the presidency. Dr. Mr. Heunis to Economic Affairs, renamed Trade. Industry and Consumer Affairs.

Senator Owen Horwood remains at finance, as does Mr. Pik Botha at Foreign Affairs: the premiership last year. His Mr. Fanie Botha, Minister of clumsy handling of the Police Labour, loses his second port-Labour, loses his second port-folio of Mines, possibly partly as a sop to the white mineworkers who have attacked him

between Mr. Alwyn Schlebusch Senate, when the present in-cumbent. Senator Marais Grange (Police) ironically the Viljoen, becomes President. two men who chaired the parliamentary commission which investigated liberal dissidents and although he is actually Mr. anti-South African activities in Botha's principal rival within the early 1970s, and banned the National Party. He is leader foreign funding of such of the Transvaal wing of the organisations.

NALGO will back

On a day when share prices were tumbling across the board, strikes over cuts Chloride shares managed a small 1p gain to 90p. However, this did not have much to do with the 16 per cent increase in pre-tax profits to £29m. After a sharp recovery in the

first half from that effects of labour disputes, plus a big turn-around in the U.S., Chloride's second-half profits were roughly unchanged. Given the strength of sterling and the industrial unrest in the UK, which together could have cost the oup £1.5m. this was a reasonable performance, but not spectacular.

The main reason why the share price reacted the way it went out of its way yesterday to still the two fears that have recently dogged the Chloride production for the year should per cent. Even so, the dividen-share price. The first worry for be up from 2.5m to 2.75m will have to be raised fairly investors is that the group is tonnes, and after the January 1 smartly if the shares are going slowly turning into another price rises, worth 15 per cent to retain their current rating.

anking figures filled in

have a valuable impact on the

But the official tactics have

severely dented the equity

30-Share Index, and now shows.

a loss on this measure of 84.4

points since the peak reached on May 4, the day after the

Gilt-edged were also weak yesterday, unable to hold the

levels reached after Wednes-

day morning's excitements. The market is nervously awaiting taps—perhaps both a short and

long-this afternoon. There is

not much domestic buying power left for the time being,

and the authorities might be

of speculative foreign money.

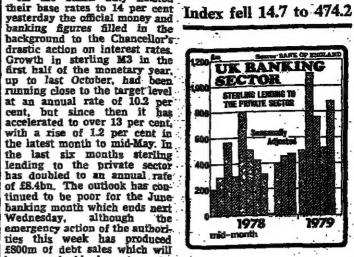
June outturn.

had to stop

Index fell 14.7 to 474.2

THE LEX COLUMN

When the lending



Dunlop — batteries, like tyres, are lasting longer, and hence there is less demand. This has market, which has sunk well been the case for the past five below the 500 level on the FT years, argues, Chloride, but such are the ranges of new applica-tions for batteries that the analogy with tyres is false.

The second, and more immediate, worry is that the soaring price of lead will force Chloride to have another rights issue. So far, Chloride's balancesheet seems surprisingly unaffected, but this may not continue to he true this year. However, the company argues that against current prices of £660 per ton, the long-term price is more like £400 and prices will fall.

wise to wait a week or two rather than flatten the market still further or risk an inflow English China Clays

The City's analysts turn out to have been too impressed by the juicy volume figures published in recent months by the china clay industry—production was up nearly a tenth in the six menths to March—and not wary enough about the impact on English China Clays of the severe winter and the transport industry disputes. These troubles appear to have afflicted the group's quarrying and road-building activities even more

than the clay division. So against hopes of £12m or more ECC has only produced £10.4m pre-tax for the first six months. which is an improvement on the depressed £8.5m of a year earlier but is still well below the peak £13.5m recorded for the first half of 1976-77. The shares slumped 11p to 84p.

did, was because the company sterling is no help, the clay 40 per cent at the current price division now looks much more of 358p. This partly explains buoyant. With flat out working, why B and C shares yield 4.3 production for the year should per cent. Even so, the dividend be up from 2.5m to 2.75m will have to be raised fairly

further increases of between 8 and 14 per cent, effective on July 1. Meanwhile this year's pay increase has been limited to 10 per cent. Elsewhere the quarry and building interests should recover from the first half setback and the holiday interests—ECC will be host to 100,000 customers in its caravan parks this summer-will make a seasonal contribution.

For the full year ECC should be able to get near £30m pre-tax, against £24.5m, and the benefit of the price rises will roll forward into 1979-80. though there must be a question mark over the strength of demand beyond the summer. The yield, without allowing for the rise in the final dividend hinted at by the Board, is 6.5

B & C Shipping

British & Commonwealth Shipping is taking no chances with its dividend. Even though official controls lapse next month B & C is still hiding behind them and shareholders will have to wait some time before they get an idea of how much extra cash the company is prepared to pay out.

This caution does not mean that B & C is hard up like its larger rivals P & O and Ocean Transport—far from it. Leave out the 12.8m share of the exceptional currency loss at Overseas Containers Limited and the £1.8m write down of the floating supply base ship, and B & C's pre-tax profits rose by £1.3m to £30.6m last year. This is not bad going for a company facing the worst recession in the shipping industry since the early 1930's.

But then B and C is no longer really a shipping company. Apart from its profitable stakes in OCL and South Africa's Safmarine, its shipping side lost just under £1 last year. By contrast, its air transport side mainly helicopters - made around £10m and the aviation support side made another 24m. The hotchpotch of other activities did not do so well, but nevertheless chipped in another

Although it is still listed as a shipping company the s market has come to regard ment trust which is standing at But although the strength of generally reckoned to be over smartly if the shares are going

BNOC likely to lose licensing privilege shortage

In opposition the Conserva-

next step in bringing BNOC back in line with the rest of

The Government has already

announced this week that BNOC will be made liable to pay petroleum revenue tax in the

same way as other North Sea

The new Department of Energy team is also formulating its first response to the EEC

Commission on the question of interest relief grants for oil

companies which agree to buy

British equipment for North Sea field developments.

Government, on the eve of the

system of giving preferential treatment to UK offshore sup-

pliers was illegal and had to be

changed. The UK was given two

months to respond or face a

possible challenge in the Euro-

pean Court of Justice for violat-

The Government is expected

as a first response to seek more

time to deliberate on the issue.

while it tries to pin-point simi-

lar schemes operating in other

accepted that the scheme offends against the Rome Treaty, and in the slightly

longer-term it is looking to a

gracious retreat on the issue to prove its willingness to co-

operate with the Community

and to give it a bargaining card

in seeking concessions on other energy matters.

Continued from Page 1

ing the Treaty of Rome.

member countries.

The Commission told the last

the industry.

operators.

BY KEVIN DONE, ENERGY CORRESPONDENT

THE BRITISH National Oil has slowed up offshore explora-Corporation's right to have first tion. refusal on all North Sea deals in which oil companies are pro-tive Party gave this complaint posing to buy or sell licence a sympathetic hearing, and it is interests is likely to be expected to anounce soon this interests is likely to be

The Government's comprehensive review of all the state oil company's functions is welladvanced and any changes resulting from the study are likely to be made known before the end of July.

But the Department of Energy is expected to act before the study is completed to remove BNOC's particular advantage in so-called farm-in deals. The state oil company's privileged position has especially irked the rest of the oil companies operating in the

As part of the Labour Government's attempt to give BNOC larger stake in the North Sea. it allowed the corporation to have first option on any deals in which oil companies were proposing to transfer part of their offshore licence interests.

Form-in agreements are a common part of oil industry Companies think they have located promising exploration prospects in another company's acreage offer to drill a well at their own expense in return for a share

in the licence The oil industry has claimed that ENOC's pre-emptive right to all such farm-in agreements has brought these deals to a virtual halt, and in the process

Weather :

UK TODAY CLOUDY WITH occasional

E. England, Cent. S. England. W. Midlands, Wales, N.W. England, Cent. N. England

Showers. Bright intervals. Max. 14C (57F). S.W. and N.W. Scotland, Ulster

Rather cool. Occasional showers, Max. 12C (54F). Rest of Scotland

Cloudy. Outbreaks of rain. Max. 16C (61F).

WORLDWIDE

Outlook: Little change

Biarritz
Bondhm,
Biaśk pi.
Boulgn,
Bristol
Bristol
Bristol
Bristol
Bristol
Bristol
Bristol
Cairo
Carlo
Cardiff
Cas' b'es
Cape
Tohicago
Corlo
Debrink,
Ednbgh,
Fero
Florence
Franklt,
Funchel
Goneve
Goneve

showers. Sunny intervals. London, S.E. England Sunny intervals, showers Thunder later. Max. 16C (61F).

Joint effort to ease oil

UK OIL companies are to start pooling information about areas of the country that have been particularly hard hit by the shortge of oil supplies to try to achieve a fairer distribution of oil pro-

ing the tax on petrol in his Budget, raising the pump price

a measure that was necessary to save energy, quite apart from its revenue effect. Even without the tax increase, Britain's con-tribution to the international

effort to save oil would exceed

7 per cent, which was well above its 5 per cent obligation.

After pointing out that the sverage OPEC crude oil price had risen by 33 per cent since December, 1978, Mr. Blumenthal

said that even conservation would buy only a little time.

Economic growth could only be

achieved by persuading oil pro-

ducers to raise their output, by

a reduction of the use of oil per

unit of production or by increas-

ing the production of some other

form of energy.

Multinational code, Page 5

Britain considered this to be

by about 10 per cent.

ducts to all regions.
It is the industry's first response to a specific request from Mr. David Howell, Energy Secretary, to share oil as possible

product rationing as equally The Government has declined to intervene in the allocation of oil supplies. But earlier this week Mr. Howell told Parliament that he had specifically requested the oil companies "to achieve a more even and effective distribution overall and to meet particular difficulties as a matter of urgency where cus-tomers are threatened with

real hardship." To meet the Government's demands, oil companies are start compiling joint figures about supply and in various regions and for different sectors of

When the industry is able to identify local areas suffering a disproportionate shortage of a particular product, individual companies, usually the dominant supplier, will be called on to move the product via their distribution system to meet some of the hortages. Failing this, a more general appeal would go to all companies to try to bridge the gap in deliveries.

The job of collating national figures on the pattern of local supply and demand for oil products has fallen in the Datas's reduce public expenditure... union to mobilise its members against public

official backing to any local strikes called by its members

against job cuts resulting from

the Government's drive to

expenditure the TUC reductions since announced a campaign against the cuts, the union's annual delegates conference reaffirmed its three-year-old policy of instructing members not to perform duties attached to jobs scrapped or held vacant.

This would be part of a general campaign against Government policies on expenditure cuts mounted by the 730,000-strong union which has members in many sectors including local authorities, the health service, public utilities and inland waterways.

The union's executive refused to support a much tougher motion instructing members to black the provision of all statistical information to Government departments as

THE NATIONAL and Local well as calling for a reopening Government Officers' Association pay settlements in light of tion decided yesterday to give the Budget. The motion was subsequently withdrawn. The union is anxious that all public sector unions must be involved in any fight to main-

tain employment levels. The union's strike fund has been drained of £3.5m in the past 12 months through pro-tracted disputes and there will only be an estimated £0.5m in the kitty by December.

In February the executive slashed the provision of strike pay from .55 per cent of gross wages to only £4 a week.

Nevertheless, Mr. Geoffrey Drain the union's general secretary said there would be local strikes where his members decided they had to fight job cuts in their own areas. There appeared to be con-

siderable scepticism among delegates at the Blackpool conference, that the TUC's campaign would be effective. Mr. Drain told delegates that if the TUC's campaign failed, NALGO would have to shoulder the responsibility against what he called the greatest challenge to the unions since the 1930s.

fallen to the Petroleum Industry Association, Alusuisse in U.S. deal BY STEWART FLEMING AND BRIJ KHINDARIA

RTZ re-opening which would be a fillip to the ailing Cornish economy, is higher now than at

any time since Consolidated Gold Fields, the present owners, stopped production in May 1978. Gold Fields' move was pre-cipitated by the earlier closure of the adjacent Mount Wellington tin mine, owned by Corn-wall Tin and Mining, a U.S. Canadian-Swiss consortium.

RTZ had previously made Government participation in Wheal Jane as a condition of its own involvement because Wheal Jane is smaller than the opera tions RTZ is used to handling, Cornish tin mining is risky, and re-opening of the mine would reduce local unemployment.
The shift in the company's

position means that technical and commercial considerations will be uppermost in its evalua-tion of Wheal Jane's prospects. This evaluation will be com-pleted by the end of July, when decision on the mine will be

Over the next six weeks, therefore, RTZ will continue detailed work on the orebody to establish whether there are adequate reserves of tin-which Gold Fields doubted - and negotiate for the purchase of the mine. It will also seek to buy the lease on the mineral rights held by Cornwall Tin. At the same time, RTZ will have to define more closely its relationship with Mr. Robert J. Sprinkel, the American entrepreneur, who put together a package for the rescue of Wheal Jane and won RTZ's interest in it earlier this year. Since then Mr. Sprinkel and RTZ specialists have been working together.

ALUSUISSE, the Swiss-based that the agreement had been aluminium producer which is the reached jointly by the chief sixth largest in the world, is to executives of the companies, acquire the U.S. motor comsixth largest in the world, is to acquire the U.S. motor com-ponents group, Maremont Cor-poration in a deal worth \$168m

(£80m) or \$42 a share. At first sight, the American company's activities do not seem to be in line with the Swiss giant's traditional operations, aluminium, mining, chemicals, engineering, energy and research

and development. There was speculation that the purchase was related to a move by vehicle makers to reduce the weight of components as a means acquisition of Maremont could lead Alusuisse into this field in the lucrative U.S. market.

Alusuisse and Mr. Richard B. Black of Maremont. The respec-tive Board's and shareholders had yet to approve the proposal. The boards will meet on Maremont, which reported sales of \$338m last year and

net profits of \$14.1m (£6.7m) is leading supplier of shock absorbers in the U.S. and has

of environmental regulations. Maremont stressed yesterday Maremont has been supply- losses.

ing shock absorbers and exhaust systems for the VW Rabbit and for the smaller sized Ford and Mercury models.

Alusuisse's existing U.S. interests centre on a 60 per cent ownership of the Consolidated Aluminium Corporation, which produces raw aluminium. alumina, semi-finished and finished goods. The company also owns bauxite mines and alumina plants in Australia.

Net profits at Alusuisse fell been rapidly increasing its in 1978 to SwFr 94.1m (£25.8m) share in the automotive exhaust from SwFr 152.3m in the prean important growth sector of the U.S. motor components industry in recent very house year. Total sales were SwFr 4.94bn compared with the U.S. motor components occurred because of the occurred because of the components. and the resultant exchange

Continued from Page 1

Banks raise base lending rates

take at least a few months judging by the latest money supply figures.
Sterling M3, the broadly defined money supply, rose by 1.2 per cent, seasonally adjusted, in the month to mid-May. This is an increase of about 74 per cent since last October, equivalent to an annual rate of

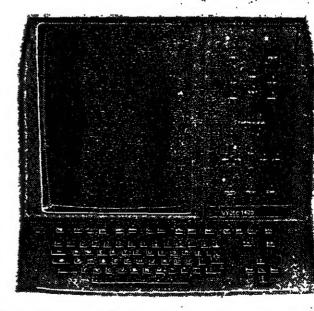
This compares with the target range of 8 to 12 per cent for the A considerable slowdown will be required to bring the rate of monetary growth down within

the new range of 7 to 11 per institutions, amore the 10 months of increase in £586m last month. the 10 months to mid-April,

The main recent expansionary factor has been the growth of bank lending. This can no longer be explained by the distorting impact of the winter disputes; it now clearly reflects underlying buoyancy, as show by the rise in consumer demand and imports. Most of the Government's borrowing has been financed through sales of gilt-adged stock to the public and financial

In contrast to the early pring, Certificates of Tax spring, Certificates of Tax Deposit, an investment for taxpayers, have not contributed, and there were redemptions of £109m as oil companies paid Petroleum Revenue Tax.

The pound closed 82 points down at \$2.0958, while the trade-weighted index, measuring value of sterling against a basket of other currencies, dropped 0.4 to 68.2 compared with 67.4 before the Budget



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